

ember 11 1991
oubles
stock markets

Australia	24.80	Indonesia	10.00	Pakistan	10.00
Belgium	24.80	Iran	10.00	Poland	21.00
Canada	24.80	Italy	10.00	Portugal	10.00
Denmark	24.80	Japan	10.00	Romania	10.00
France	24.80	Korea	10.00	Saudi Arabia	10.00
Germany	24.80	Malaysia	10.00	Spain	10.00
Greece	24.80	Mexico	10.00	Sweden	10.00
Hong Kong	24.80	Norway	10.00	Switzerland	10.00
India	24.80	Philippines	10.00	Taiwan	10.00
Italy	24.80	Singapore	10.00	Thailand	10.00
Japan	24.80	Sri Lanka	10.00	UK	10.00
Korea	24.80	Turkey	10.00	USA	10.00
Malaysia	24.80	USSR	10.00		
Mexico	24.80				
Norway	24.80				
Philippines	24.80				
Singapore	24.80				
Spain	24.80				
Sweden	24.80				
Switzerland	24.80				
Taiwan	24.80				
Thailand	24.80				
UK	24.80				
USA	24.80				

FINANCIAL TIMES

GERMANY
The east is still
on the headline
Page 15

FT No. 31,555
THE FINANCIAL TIMES LIMITED 1991

Friday September 13 1991

D 8523A

World News Business Summary

EC monitors threaten to quit Croatia peace bid

European Community monitors trying to impose a ceasefire in Yugoslavia threatened to pull out if their safety could not be guaranteed. The EC warning came as Yugoslav state president Slobodan Milosevic said he would seek "foreign intervention" unless the federal army withdrew to barracks in Croatia by today. Page 16; Belgrade printing money, Page 2.

Soviet harvest

Poor Soviet harvests could cause inflation in the central Asian republics and leave less food available for famine-hit African countries, the UN food organisation said. It forecast harvests 20 per cent smaller than last year. East European news, Page 2.

Philippines issues

Communist guerrillas in the Philippines declared a unilateral ceasefire to celebrate the Senate's expected rejection of a new treaty with the US on military bases. Page 5.

Time to spare

"We get the occasional request from the Toshiba boss... mostly we do nothing," Richard Donkin reports from Abu Dhabi on the mood at BCCP's headquarters. Page 5.

UN backs Baltic

The UN Security Council unanimously recommended the admission of Estonia, Latvia and Lithuania. The General Assembly is expected to accept the recommendation next week. Page 2.

Political prisoners

The black South African homeland of Bophuthatse announced the release of 19 political prisoners - among 143 jailed for their part in a 1986 coup attempt. Page 2.

North Korean refusal

North Korea is refusing to allow international inspection of its nuclear plants, saying it still faces a threat from US nuclear weapons in South Korea. Page 2.

Anti-Mafia protest

More than 10,000 Sicilians marched through Palermo protesting against the Mafia. The demonstration was sparked by the murder of a businessman who refused to pay bribes. Page 2.

Highwaymen deported

Spain deported six Peruvians accused of robbing 132 tourists on the main Mediterranean coast road. Page 2.

UK prime minister's speech highlights rift between Britain and France

Major calls for Europe to allow wider membership

By Ian Davidson and Ivo Dawmay in Paris

MR JOHN MAJOR, the UK prime minister, yesterday called on the European Community to agree to full EC membership for east European nations and the Baltic states "as soon as they are ready politically and economically". In a landmark speech being seen as a deliberate attempt to counter arguments for rapid progress towards a close federation of the Twelve, Mr Major hinted that even some Soviet republics should not be ruled out as members of an enlarged EC. In his fullest statement to date on his vision of Europe, Mr Major argued that the Community must not adopt policies that would make it more difficult for other countries to join. He told a gathering in Paris of 28 leaders of Europe's centre-right political parties: "We in the European Community cannot say 'Here is our club, we have made the rules, and we will make new rules regardless of your interests'." The British prime minister's vision of a wider Europe seemed intended starkly to contradict the policy of the French government which puts top priority on the deeper integration of the existing Community of Twelve, before new



Jacques Chirac and John Major arrive together at the ECU conference in Paris

Return of Israeli body raises hopes for hostages

By Hugh Carnegie in Jerusalem and Lara Marlowe in Beirut

THE BODY of one of the Israeli soldiers whose fate has become a central factor in negotiations to free western hostages in Beirut was last night flown to Vienna and handed over to the International Committee of the Red Cross. The release by the Damascus-based Democratic Front for the Liberation of Palestine of the remains of Sgt Samir Assad, a Druze soldier captured in 1983, had been an expected next step in the mechanism set up by the United Nations to solve the hostage issue. Those close to the Beirut kidnappers said that a Briton - probably Mr Jack Mann, a 77-year-old retired pilot - could be freed within days and that exchanges of Arab, Israeli and western hostages would be completed within two months. In Israel, government ministers indicated that the release of 51 Lebanese prisoners on Wednesday had been part of the carefully constructed arrangements put together by UN negotiators which would eventually secure freedom for the remaining western hostages in Lebanon. Islamic Jihad, which last month freed British hostage Mr John McCarthy, yesterday welcomed Israel's release of Arab prisoners as "a positive step towards the release of all hostages in the Middle East" and said it was ready to do all it could to reach a settlement. The statement was accompanied by a photograph of Mr Terry Anderson, a US hostage, and there was speculation in Beirut that an American might also be released soon. "We are involved in a process whose details have already been worked out and discussed. We are currently working out that process," said

Rover Group in \$1.3bn Iranian motor deal

By Scheherazade Daneshkhah

ROVER GROUP has signed a preliminary agreement with Iran which envisages setting up car assembly plants to produce the Metro, the Rover 900 and the Land Rover Discovery in the Islamic Republic. Iranian estimates put the value of the 10 year accord which includes the transfer of technology and equipment, at about \$1.3bn (\$1.3bn). News of the deal follows the announcement on Wednesday of a \$45m first-half trading loss by the motor vehicle arm of British Aerospace. Rover last night said it was too early to comment in detail but it could confirm that there have been discussions with Iranian interests regarding the possibility of future business. A spokesman for the Iranian delegation said that a letter of intent was signed in London on Wednesday night between Mr George Simpson, Rover's chief executive and Mr Mohammad Mokheri, president of the government-affiliated Bonyad-e Mostazafin Foundation. Mr Mokheri said that Rover has agreed to invest up to 35 per cent of the capital costs of production. If the deal goes through this would represent significant boost for attempts by the Iranian president Mr Hashemi Rafsanjani to attract foreign investors.

Rolls-Royce to lose another 3,000 jobs

By Paul Betts, Aerospace Correspondent, in London

ROLLS-ROYCE, the UK aero-engine group, plans to cut its workforce by a further 3,000 to 4,000 people next year to compete with the productivity levels achieved by its two US competitors, General Electric and Pratt & Whitney. Sir Ralph Robins, chief executive, said yesterday the company had already shed 3,500 jobs in the first half of 1991 and expected to reduce the workforce by a further 3,500 by the end of the year. The additional job cuts in 1992 are intended to bring down Rolls-Royce's overall workforce to about 26,000 people to enhance productivity at a time of fierce competition in the commercial aero-engine market and declining defence sales. The slump in the commercial airline business and the sharp fall in military orders were largely responsible for the 90 per cent decline in first-half pre-tax profits, from £115m to £11m, which Rolls-Royce reported yesterday. Sales rose by 5 per cent to £1.67bn. Lord Tombs, chairman, said prospects for both the civil engine business and industrial power activities remained sound. But he did not expect a recovery in the aero-engine business until later next year. He said Rolls-Royce had been "greatly disappointed" by the recent decision of British Airways, a traditional customer, to choose General Electric of the US to power its new fleet of Boeing 777 twin jet airliners. But Sir Ralph said: "BA aren't the only customer of the world." Rolls-Royce has since secured a £250m order for its heavy-thrust Trent engine to power 777s ordered by Thai International Airways. Despite the BA setback, Sir Ralph said Rolls-Royce had gained a 20 per cent share of the civil aircraft engine market. The company is now pinning its hopes on Trent orders from All Nippon Airways and Cathay Pacific. Unlike British Aerospace, which also reported sharply lower interim profits on Wednesday, Rolls-Royce's first

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MARKETS

STERLING	DOLLAR	STOCK INDICES
New York lunchtime:	New York lunchtime:	FT-SE 100:
\$1.7345	\$1.7345	2,841.9 (+15.3)
London:	London:	FT-100:
\$1.7335 (1.7255)	\$1.7335	2,065 (+15.9)
OM2.9225 (2.9275)	\$1.7375	FT-A All-Share:
FF3.855 (3.96)	DM1.6855 (1.697)	1,274.61 (+0.5%)
SF2.55 (2.55)	FF5.7425 (5.7725)	New York lunchtime:
Y22.25 (22.75)	SF1.477 (1.486)	DJ Ind. Av.
£ Index 81.2 (same)	Y134.05 (134.9)	3,002.24 (+15.21)
GOLD	Y Index 65.0 (65.3)	S&P Comp
New York: Comex Dec	US close: Y134.45	386.94 (+1.85)
\$348.2 (349.4)	UK lunchtime rates	Tokyo: Nikkei
London:	Fed Funds: 5 1/2%	22,530.2 (+25.41)
\$348.25 (345.25)	3-m Treasury Bill:	LONDON MONEY
N SEA OIL (Argus)	5.357%	3-month interbank:
Brent Oct	Long Bond:	10 1/2 (10 1/2)
\$20.225 (+0.25)	101%	Life long gilt future:
Chief price changes	yield: 7.950%	95% (95.1)
yesterday: Page 17		

Japan fears trade surplus trouble with its partners
Japan fears that its trade surplus, now growing embarrassingly large, may provoke friction with its partners. Influential US Democrat Richard Gephardt (left) has proposed a Bill that would prompt punitive action. Page 3.

Sweden Late surge seen in support for ruling Social Democrats
Sweden Late surge seen in support for ruling Social Democrats. US economy: Wall Street holds its breath for cut in rates. Management Making complexity more coherent - the failure of quality circles. Editorial Comment: The future of Europe: Radical party, Looking east. After socialism: Democratic politics in the wake of changes in east Europe. Liam Glaxo, Rolls-Royce, Hickson, RTZ: United Glaxo. Technology Talking pictures - the growing market for videophones. International. Companies. America. Companies. World Trade. Britain.

EUROPEAN NEWS

At the mercy of one man's whim

Leyla Boulton on Georgia's prospects under its idiosyncratic leader

SANCTION for the break-up of the Soviet Union means that republics bent on independence are suddenly having to switch from freedom-fighting to nation-building. Georgia, which sees itself as next in line for recognition after the Baltics, provides a crash-course in the difficulties of making the transition.

A land of wine, exuberant hospitality and maddening internal quarrels, Georgia has always been beset by its own contradictions. A Christian nation open to outside influences, and a successful democracy for three years until it was invaded by the Red Army in 1921, it is still best known as Stalin's homeland.

Today, this easy-going nation of five million people is in the clutches of a nationalist president who is building a dictatorial regime very similar to the communist autocracy he once fought as a dissident. President Zviad Gamsakhurdia's Stalin-like mixture of paranoia and charm, only distracts attention from the fact that this former English lecturer makes a very bad policy-maker.

"A lack of professionalism will kill us," sighed Mr Tengiz Sigua, who quit as Georgia's prime minister to join the ranks of an increasingly self-confident opposition which, since last month's abortive Soviet coup, has been calling for the president's resignation.

The fact that the gradual Soviet decay, culminating last month in the collapse of centralised communist rule, has brought to power nationalist leaders with no previous experience of politics does not necessarily spell disaster. Neighbouring Armenia for instance has found a deft and level-



headed leader in Mr Levan Ter-Petrosian, a former historian.

But a cocktail of new political institutions plucked from western tradition - including French-style prefectures and an overpowered presidency - has tied Georgia's fate to the whim of one man who takes erratic decisions on everything from economic policy to nominating university rectors.

A lack of political maturity means that many Georgians still trust him implicitly despite the fact that his security police opened fire on protesters this month and that he calls all his critics liars, criminals, or "enemies of the people".

It is a lie that Gamsakhurdia is a bad man, she says simply. But if street rallies, the defection of his National Guard, possible student protests (when the president allows the academic year to start) or parliament when the president dares convene it do not remove him, he may well

fall under economic pressures. With shops much less well stocked than a year ago, and prices sharply up, Georgians could start voting with their stomachs.

Having vowed to replace the crumbling state-planned socialist economy with a free market system, Mr Gamsakhurdia is now being accused of preserving state control over the economy in order to preserve his own power.

According to Mr Sigua, the president is dragging his feet over land reform even though a speedy transfer of land to peasants would quickly help boost food supplies and enable a switch away from a "colonial" set-up whereby Georgia produces cash crops like tea and citrus fruit for sale to the rest of the country.

Mr Gamsakhurdia denies the charges, saying that parliament, which he has controlled totally until now, is "guilty" of not adopting land reform. The embattled Georgian leader now talks in vague and muddled terms about the need for a "convergence" of socialism and capitalism in a transitional period.

Mr Sigua also believes that it was under pressure from the old-style mafia with links to the communist apparatus and its hand deep in the state till that Mr Gamsakhurdia dropped legislation aimed at encouraging the growth of a new entrepreneurial class. This week, in another example of an economy held hostage to political interests - Mr Gamsakhurdia announced he would not join an economic union with other republics.

There will be economic co-operation but no economic union because that will be a new form of the Soviet Union,"

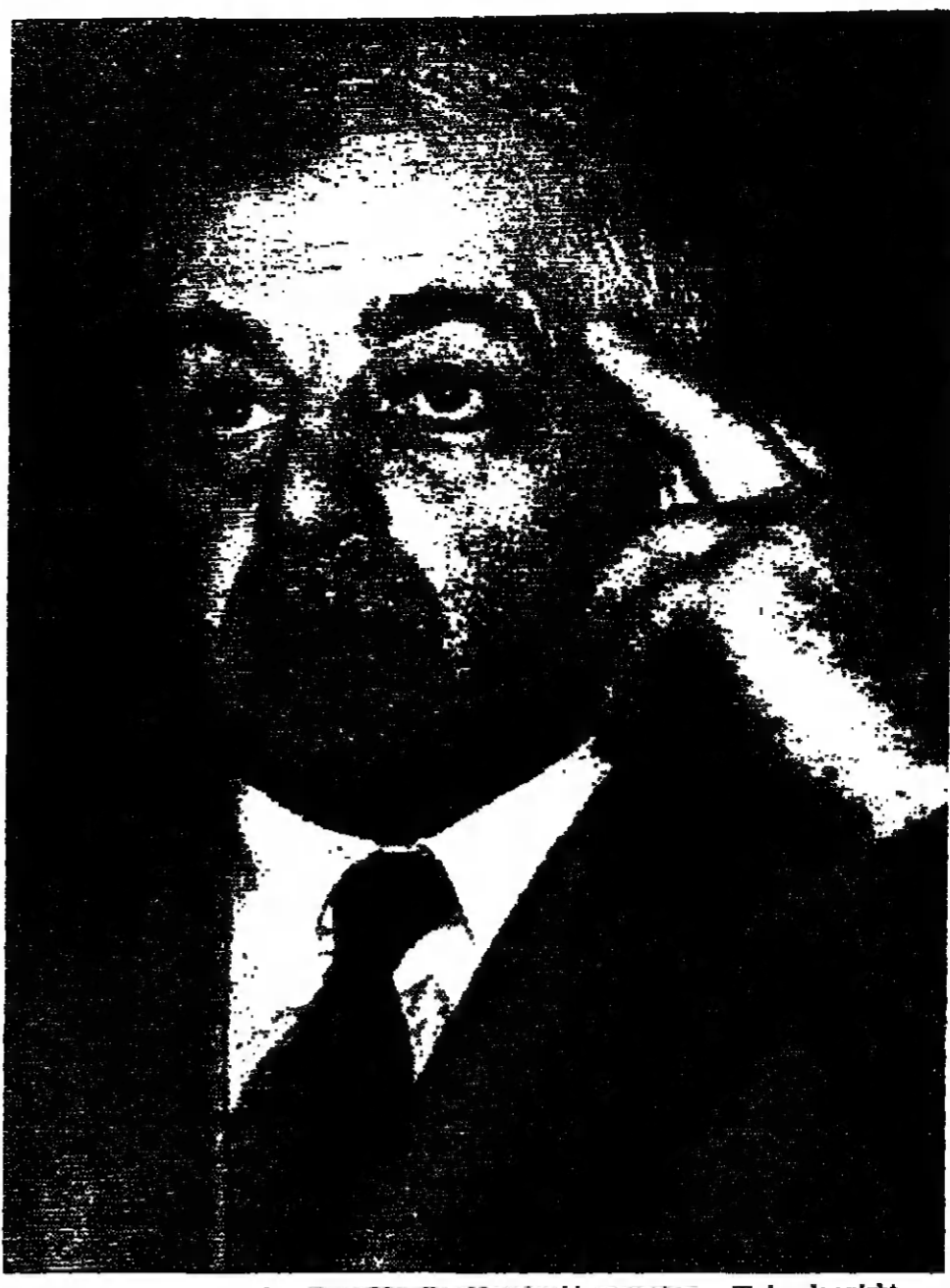
he said, disregarding the fact that much of Georgian industry is heavily dependent on the rest of the union both for industrial components and markets.

Recent weeks have also seen a rekindling of ethnic passions in South Ossetia, just two hours' drive away from Tbilisi and a convenient distraction from Georgia's internal political problems.

The Soviet Union is littered with inter-ethnic problems of this type, which the old central authorities had an interest in stoking up to stop republics from seceding. But following the coup attempt and the replacement of hard line security and military men in Moscow it was hoped that such issues could be discussed in a spirit of compromise.

Mr Stanislav Kochiev, a South Ossetian spokesman, admitted this week that the conflict between Georgian and Ossetian nationalists had indeed been exploited by Moscow before the coup attempt. But Mr Gamsakhurdia, who has tried to suppress their attempts to break away from Georgia by violence, seems unprepared to start talks, telling journalists that everything they knew about violence in Tskhinvali, the South Ossetian capital, was "lies".

His opponents warn that recognition of Georgian independence by western governments, the one big political prize he is still seeking, could make the life of his people more difficult by removing all barriers to his rule. Mr Gamsakhurdia replies that all present ills can be blamed on the "transitional period" and will end as soon as Georgia is recognised as an independent state.



Paranoia and charm: President Gamsakhurdia addressing his supporters on Wednesday night

Cuban-US group wins confidence of Moscow

By Lionel Barber in Washington

THE SOVIET decision to withdraw troops from Cuba represents the first fruits of some quiet but intensive contacts between reformers in Moscow and the politically influential Cuban-American community in the US.

Mr Jorge Mas Canosa, a millionaire businessman said to harbour ambitions of succeeding President Fidel Castro in a post-communist Cuba, has been the driving force behind these contacts which began shortly before the fall of the Berlin Wall.

In 1989, Mr Mas Canosa helped to sponsor the first trip by Mr Boris Yeltsin to the US. At the time, many focused on Mr Yeltsin's taste for vodka and his cool reception by the Bush administration, few noticed his trip to Miami where he offered the first clear-cut pledge by a Soviet politician to cut off military aid and economic aid to the Castro regime.

After the failure of the Kremlin coup, Mr Mas Canosa lost no time in arranging a trip to Moscow. For the past 11 days he has been in the Soviet capital, heading a Cuban-American delegation which has held talks with high-ranking officials of the Russian Republic as well as representatives of the central government.

Mr John Cox, a spokesman for the Cuban American Foundation in Washington DC, said yesterday that Mr Mas Canosa's mission is to look for potential business opportunities in the Soviet Union and to offer expertise in areas such as construction and transport.

The broader aim, however, is to sound out Soviet intentions, not just on military issues but also on the more important question of trade links which President Gorbachev proposed this week to "normalise" by ending the barrier of subsidised Soviet oil for Cuban sugar.

Already, Mr Cox says, the Soviets have agreed to allow the Cuban-American Foundation to open an office in Moscow - a stunning concession since the foundation has long been an anti-communist bastion and includes former collaborators with the pre-Castro Batista dictatorship.

Planning for a post-Castro Cuba is well underway at the foundation. Members have drawn up a Soviet intention, not just on military issues but also on the more important question of trade links which President Gorbachev proposed this week to "normalise" by ending the barrier of subsidised Soviet oil for Cuban sugar.

Other Cuban-American groups such as the Democratic Platform for a new constitution. But Ms Gillian Gunn, a Cuba expert at the Carnegie Institute in Washington DC, cautioned yesterday that Mr Mas Canosa and his friends are not necessarily guaranteed a one-way ticket to power if Castro falls.

For the moment, the US government is watching cautiously. Although the State Department has ordered a Rand Corporation study on Cuba, the immediate focus is on next month's party congress. Officials are looking for any clue that Castro or members of his inner circle are ready to take limited steps toward a market economy.

Until the results of the congress become clear, both Washington and the Cuban-Americans in Miami are inclined to keep the champagne on the ice.

Mr Boris Pankin, the Soviet foreign minister, said yesterday the decision to withdraw troops from Cuba was part of a "de-ideologisation" of Soviet foreign policy, writes Mark Nicholson in Moscow. Mr Pankin said Moscow would gradually reduce military aid to Cuba, which has recently averaged \$1.5bn a year.

Top Soviet economic reformers take the helm

By John Lloyd in Moscow

TWO of the best known reformers are expected to take the top jobs in economic management of the Soviet Union following the resignation of Mr Ivan Silayev.

Mr Arkady Volok, president of the Scientific Industrial League which represents Soviet state and private business, is thought likely to succeed Mr Silayev, the Russian prime minister, as chairman of the Committee for the Management of the National Economy - which now acts as the Soviet government.

Mr Volok, a former Communist Party Central Committee member and close ally of President Gorbachev, is deputy chairman of the committee. Mr Grigory Yavlinsky, the member of the committee responsible for economic reform, is slated for the job of chairman of the Inter-Republican Economic Committee - the body which will oversee the common economic interests of those republics which sign an agreement to be part of a new Soviet "common market".

Mr Silayev said he was quitting after a sharp disagreement with Mr Yuri Luzhkov, a fellow committee member, who accused Russia of riding rough-

shod over the interests of the other republics.

Mr Silayev yesterday refused to explain his resignation, saying it was a matter for the State Duma.

Behind his decision, however, lies a series of bitter disagreements within the Russian and Soviet leaderships - which Mr Gavril Popov, the mayor of Moscow, yesterday said was a bigger threat to future stability than "reactionary forces" still lurking in the state structures.

Moscow's now substantial business community is enraged by powers granted to Mr Popov by Mr Yeltsin on August 23, which allows the Moscow mayor to freeze or cut prices, thus stopping the trend towards free prices set by enterprises themselves. Mr Konstantin Borovoi, president of the Moscow Commodity Exchange, has charged the Moscow authorities with preparing a decree to set ceilings on prices in the commodity exchanges, the bodies which increasingly substitute for the decaying state supply bodies. Mr Borovoi has threatened a "business strike" which would see the private sector transfer their operations to St Petersburg, or other Russian cities.

He has threatened to leave Moscow as "a graveyard in which Popov and Luzhkov will govern masses of the unemployed".

Mr Yeltsin yesterday issued a decree taking all of the energy industries - including oil, gas and coal production - under Russian control. The move had been long advertised, but came as a confirmation of the steadily rising power of the Russian Federation.

Mr Yavlinsky's plan for an economic agreement is now the favourite. Other proposals are now said to be either in line with Mr Yavlinsky's, or too soft on central discipline to be serious contenders. Mr Yavlinsky has already presented a draft economic treaty to the State Council which proposes a banking and monetary union exercising tight control over budgetary and financial policies of the member states in order to curb inflation and budgetary deficits. He will present a further plan for co-operation with foreign governments and international institutions offering emergency and longer-term aid to the Soviet Union at Monday's session.

Air force 'was ready to bomb Kremlin'

By David White, Defence Correspondent

STARTLING details emerged yesterday of the attempted seizure of power by hardline communists last month.

Defence Minister Yevgeny Shaposhnikov told the liberal Nezavisimaya Gazeta newspaper that he and other senior military leaders had considered storming and bombing the Kremlin to dislodge the coup leaders.

But the plan was dropped for fear there would be resistance from the KGB in the Kremlin with heavy casualties, he said.

Lifeline team to assess needs

The first British-government sponsored "lifeline" team will visit the Soviet Union on September 23 to assess the country's pressing food distribution needs, writes John Thornhill.

The team of experts includes some high-profile names from the British food manufacturing and retailing industries, including the specially constituted British Food Consortium and companies like Allied Lyons, Argyll Group, APV and ICI Europe.

UN ready to admit Baltics

The UN Security Council yesterday recommended unanimously the admission of Estonia, Latvia and Lithuania as full members of the United Nations, writes Michael Littlejohn, UN Correspondent, in New York.

The General Assembly is expected to admit the newly independent states when it begins its new session next Tuesday.

Still in jail

More than 100 political prisoners remain in Soviet jails, a western human rights group said yesterday, Reuters reports from Moscow.

Nato expected soon to scrap short-range nuclear weapons

By David White, Defence Correspondent

THE prospect of an early decision to eliminate all short-range nuclear weapons deployed with Nato armies in Europe were confirmed yesterday by Mr Manfred Wörner, the organisation's secretary-general.

But he said the question remained whether Nato should scrap the weapons unilaterally or seek a formal agreement with Moscow on the lines of the 1987 INF treaty. That treaty banned US and Soviet ground-based nuclear missiles with ranges of between 500km and 5,500km.

Nato leaders agreed last year to remove the allies' entire stockpile of about 1,500 nuclear artillery shells if the Soviet Union did the same. This decision followed the abandonment of plans to update Nato's ageing Lance nuclear missiles.

Plans for a drastic reduction in the number of US warheads in Europe - estimated at about 3,700 including aircraft bombs - are expected to be agreed by defence ministers next month. Mr Wörner said a formal decision was likely to be made at the Nato summit in Rome in November.

Mr Richard Cheney, the US defence secretary, accepted last

weekend that land-based nuclear weapons in Europe were now "practically unnecessary".

US-Soviet talks on short-range nuclear arms were due to start this year following the conclusion of the GFE treaty cutting conventional weaponry across Europe. But Nato has been divided about the desirability of pressing ahead with nuclear negotiations.

Both the US and Britain have argued that a treaty would be difficult to verify. They are also trying to preserve plans for a new generation of nuclear missiles carried by aircraft, as a means of maintaining a "sub-strategic" nuclear capability in Europe.

Mark Nicholson adds from Moscow: Mr Boris Pankin, the Soviet foreign minister, said he would hold further talks today with Mr James Baker, the US secretary of state, on bilateral issues, including nuclear arms.

Mr Pankin said he had already offered assurances that there was "no room for concern about the possible decentralisation" of control over Soviet nuclear forces.

He added that although Mr Boris Yeltsin, the Russian pre-

Ukraine makes pledge to Jews

By Chrystia Freeland in Kiev

THE UKRAINIAN government yesterday promised Jewish leaders who flew to Kiev to commemorate the 50th anniversary of the Nazi massacre of 100,000 Jews at Babi Yar that the republic would not become a refuge for war criminals and would actively prosecute any currently living within its borders.

Mr Leonid Kravchuk, the Ukrainian leader, added that the Ukraine's ambassador to the United Nations would break with precedent and vote against a bill equating Zionism with racism from it comes before the UN this autumn.

The Ukraine, which is the homeland of many recent Soviet Jewish immigrants, would like to sign a consular agreement with Israel.

Mr Edgar Bronfman, head of the World Jewish Congress, reported these promises after what he termed "a most satisfactory meeting" with Mr Kravchuk. Mr Bronfman, accompanied by Nobel laureate, Mr Elie Wiesel, was in Kiev yesterday to commemorate the 50th anniversary of the Babi Yar massacre, according to the Jewish calendar.

On September 29 foreign heads of state, including an Israeli delegation, are expected to attend a high profile commemoration of the massacre.

Mr Wiesel, who coined the term "holocaust", said that, although Jews in Ukraine had suffered "terrifying moments" over the centuries, "Ukraine was taking positive steps to improve its relations with Jews and, like every nation, had the right to self-determination."

The Ukrainian parliament also new passed a new law which establishes "a single republican citizenship" to replace the current system of dual republican and Soviet nationality. In contrast with the more restrictive legislation of the Baltic states, The law grants Ukrainian citizenship to all individuals whose permanent residence is currently in the Ukraine.

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الشرق الأوسط

EUROPEAN NEWS

Italian employers warn recession has begun

By Robert Graham in Rome

THE Italian employers' federation, Confindustria, has warned that the economy has entered a recession and is projecting growth this year will fall below 1 per cent, with inflation obstinately above 6 per cent.

This is the gloomiest view yet of the Italian economy and contrasts sharply with the Andreotti government's belief that the country can avoid a formal recession. Earlier this year the government predicted GDP would grow by 2.7 per cent but subsequently revised this to 1.6 per cent.

The warning of a recession comes at an awkward moment for the government, which faces conflicting economic and political pressures as it prepares the 1992 budget. The fragile four-party coalition, led by the Christian Democrats, is committed to exercise tighter control over state spending, tackle the country's mounting public debt and accelerate privatisation.

This is also the first time the budget, due to be presented by

September 30, is being drawn up in consultation with the EC. The Italian authorities have been made well aware in recent weeks that without better housekeeping the country risks falling into the second division of the Community after 1992.

But equally Mr Giulio Andreotti, the prime minister, faces an election in eight months. He is thus reportedly reluctant to squeeze public spending, initiate structural reforms and preside over a recession that would prejudice his Christian Democrat party at a time when Italian politics are in a state of flux. In an effort to balance these pressures, ministers are this week holding a series of meetings with both the employers and the trade unions.

The Confindustria economic forecast contains an element of self-interest. Employers fear they will be called upon in the budget to assume a greater fiscal burden and are therefore warning in the current climate of slim order books and high

wage costs that they can bear no more.

Instead, they argue, public-sector wages should be frozen, pension contributions be less onerous, government transfers to local authorities limited and a real effort be made to privatise. According to Confindustria, public-sector wages rose 9 per cent in real terms last year and remain well above inflation this year.

However, employers are raising genuine concerns, having to face a recession with high labour costs and a fire in the strait-jacket of the European monetary system.

Mr Walter Mandelli, head of research at Confindustria, this week said: "A recession after six or seven years' growth is not so unusual. But in Italy's case, the recession has hit an economy fraught with distortions and imbalances which have developed in the past few years and which are many times worse than those that nearly destroyed the Italian economy during the previous decade."

Reducing inflation will be costly, OECD tells Swiss

By William Dullforce in Geneva

SWITZERLAND'S stubbornly high inflation is a home-made problem, the Organisation for Economic Co-operation and Development says in its latest annual review of the Swiss economy. It says disinflation of Europe's richest economy may be more protracted and costly in terms of lost output and employment than in previous periods of inflation.

The OECD, warning that high wages increased for 1991 already carried a risk of refuelling price inflation, followed an announcement earlier this week that the biggest Swiss trade union would seek full compensation for price rises in this autumn's negotiations on 1992 wage levels.

In the short term there is no alternative to the restrictive monetary policy of the National Bank, the OECD secretary says. For the longer

term it makes several recommendations. These include: a revision of the mechanism which ties housing rents to mortgage rates; reform of the federal tax system; further dismantling of domestic cartels; a scaling back of subsidies to agriculture.

By now it is generally accepted that the National Bank made a mistake by imposing monetary policy immediately after the stock exchange crash in October 1987. Swiss consumer price inflation accelerated from a trough of 0.6 per cent in 1988 to an average of 5.4 per cent in 1990.

Last year, for the first time in more than a decade, Swiss inflation exceeded the weighted OECD average (excluding Turkey) and, significantly, has been higher than

inflation in Germany, the main trading partner. The latest figure is an annual rate of 6 per cent in August, down from 6.6 per cent in July. Most Swiss economists expect the rate to fall to 4 per cent or lower next year but the OECD says inflation will still be relatively high by Swiss standards at the end of 1992.

The OECD's short-term projections for the Swiss economy nevertheless indicate its underlying strengths. The slowdown is forecast to lead to a GDP increase of only 1 per cent this year and 1.7 per cent in 1992. But industrial output is expected to grow 2 per cent this year and 3 per cent next; exports are expected to increase by 4.1 per cent in 1991 and 5.1 per cent in 1992. The government will also guarantee a \$1.1m loan to buy 350 Perkins engines for a trial series of the new vehicle.

Volvo of Sweden is holding talks with Jelcz, another ailing Polish truck maker, on a joint venture.

Brussels worried about slow passage of 1992 laws

THE European Commission will today warn EC ministers that the efficiency of the single European market could be severely hampered unless they throw their political weight behind several important measures now jammed at various points in EC or national legislative machinery, Andrew Hill writes from Brussels.

The Commission has already adopted all but 68 of the 282 internal market measures proposed, but only 17 of those measures have a reasonable

chance of adoption by the end of this year, according to a Commission working paper.

That compares with 50 which are on the Brussels priority list. Of the measures adopted, many have not been implemented by national governments.

Among the most important measures likely to be held over until next year are the proposal for a European company statute, and three company law directives, including one dealing with cross-border

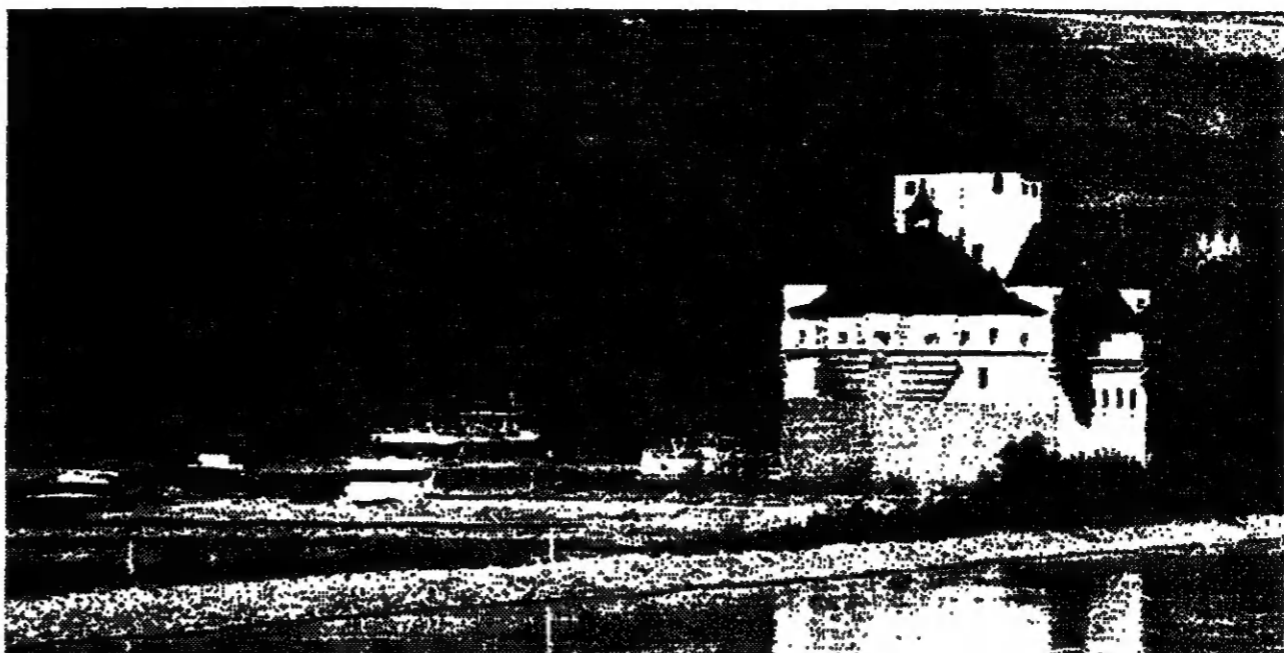
mergers and one with take-overs.

Decisions on those measures "can be ruled out this year unless there is significant political reorientation", says the Commission. That could delay a genuine single market until beyond the target date of January 1 1993.

The Commission's latest thoughts on progress towards a barrier-free European market will be put to internal market ministers at an informal meeting in Amsterdam today and tomorrow.

Ministers will also consider what needs to be done to clear away the last frontier controls in some member states on everything from homing pigeons to walkie-talkies. "After all the efforts that have been made to dismantle frontier controls, it would be beyond understanding if such controls were retained for certain specific products and for certain member states," says the Commission in a second working paper.

Perhaps the internal market measure least likely to progress further this year is the proposal to allow passenger coaches to pick up customers anywhere in the Community - road transport cabotage. The Commission points out in its working paper that "no discussion has taken place on this dossier for several years", though it is in theory a priority measure. "National markets are closed and there is little or no support for the proposal," says the Commission wearily.



Rhine river traffic passes a medieval castle near Bingen which is normally surrounded by water. After five weeks with little rain the depth of the river here, 800km upstream, was 44cm earlier this week, compared with its average 1.99m. Barges have been forced to lighten their loads to about a third of normal levels and are only just clearing the bottom. Water levels in some places on the river, the world's busiest inland waterway, are at their lowest since 1985.

Polish factory occupation ends

OVER 3,000 workers at the financially troubled Star truck factory in Starachowice, 130km south of Warsaw, have ended a four-week occupation after promises of financial support from the Polish government, Christopher Robinson reports from Warsaw. Lazard's, the UK merchant bank which is advising Star, has told the government a foreign company is interested in investing in the truck-maker.

The package includes a Zl 45.6bn (\$2.3m) government loan which will enable the factory to produce a new light truck, the government will also guarantee a \$1.1m loan to buy 350 Perkins engines for a trial series of the new vehicle.

Volvo of Sweden is holding talks with Jelcz, another ailing Polish truck maker, on a joint venture.

Aids conference for Amsterdam

NEXT year's international conference on Aids is to be moved from Boston to Amsterdam, in protest at the US government's discriminatory immigration policy against people infected with HIV, the meeting, Christopher Robinson reports from Amsterdam.

The August CPI put the accumulated price rise in the first eight months at 3.3 per cent and kept the 12-month figure unchanged from last month at 6 per cent.

Although the target of 5 per cent inflation at the end of this year, down on a 5.5 per cent rise in December 1990, now appears to be beyond reach, the economy ministry is confident that inflation will be below 6 per cent at the end of 1991.

Spanish unemployment dropped marginally in August to 14.5 per cent of the active labour force.

Spanish inflation slowed in August

SPANISH consumer prices rose by 0.4 per cent in August, following a sharp 1.2 per cent increase in July. The moderate rise has encouraged the government to predict a fall in the inflation rate over the coming months, Tom Burns writes from Madrid.

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Swedish ruling party trailing on eve of poll

By Robert Taylor in Stockholm

SWEDEN appears to be heading towards a non-Socialist parliamentary majority in the country's general election on Sunday but there are signs of a late surge in support for the ruling Social Democrats, according to the final eve-of-poll survey carried out today's Svenska Dagbladet, the leading Swedish newspaper.

The survey indicates 37.7 per cent of those questioned will vote for the Social Democrats, compared with 43.2 per cent share of the vote they received in the last election three years ago. But this is a better result than in other recent surveys and it will encourage prime minister Ingvar Carlsson.

However, the poll, conducted by SIFO, suggests 53.3 per cent of respondents will support one of the five non-socialist parties. The right-wing populist New Democracy seems to be fading in the polls.

The other four non-socialist parties took 48 per cent between them in the poll, just enough to win a parliamentary majority. The Moderates took 21.5 per cent of the vote, the Liberals 10.9 per cent, the Centre 8.4 per cent and the Christian Democrats 7.2 per cent.

But the outcome could hang on what happens to two other parties. The Communists - now called the Left party - will receive only 4.9 per cent of the vote, according to SIFO, and could lose their seats in parliament, while support for the Greens, at 3.5 per cent, appears to be rising slightly.

WORLD TRADE NEWS

Tokyo fears fresh salvos over trade surplus

The big worry is that US recovery will be matched by a rise in Japanese exports, Robert Thomson writes

FOR the past few months, the Japanese government has hoped the outside world would ignore the flow of figures suggesting that the trade surplus, supposed to be headed towards politically insignificant levels, was growing embarrassingly large.

"Special factors", such as currency and oil price fluctuations, were blamed for the large year-on-year surplus increases, the most recent a 51.4 per cent rise for August announced on Wednesday. While these "special factors" have exaggerated the increase, Tokyo now concedes that this year's surplus could be uncomfortably close to the 1989 record of \$28.7bn (\$48.9bn) and that the figure alone could provoke trade friction.

The biggest worry of all is that the stringing of US recovery will be matched by an increase in Japanese exports. While the surplus (up 26.3 per cent to \$28.2bn in the first half) has been on the rise, US criticism has been muted because of a fall in the bilateral surplus for four consecutive months - but, in August, the US surplus was 5.5 per cent higher than last year and the trend was turned around.

That announcement coincided with a proposal by the

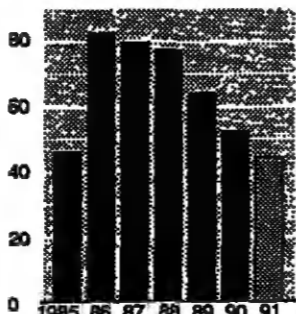
Influential US Democrat, Mr Richard Gephardt, for a bill this month that would essentially prompt the US administration to revive "Super 301" punitive action against Japan. His proposal targets countries that account for more than 15 per cent of the US trade deficit, meaning Japan, which last year accounted for about 40 per cent of the deficit.

At the same time, Japan's surplus with the EC, up 60.9 per cent in August, the 16th consecutive month of increases, is fast becoming a source of friction. Apart from a rise in Japanese exports, the deflation of the country's financial "bubble" has led to sharp falls in imports of luxury European cars and artworks. Tokyo has brought some of the trouble on itself by classifying paintings according to the painter's nationality, regardless of where the painting was bought or from where it was exported. Given the Japanese fondness for the French Impressionists, imports from France were overstated, so the end of the art-buying spree has been accompanied by a fall in total imports from France, down 6 per cent in August, and by fears of trade disputes.

While this year's surplus total may be close to the 1989

Japan's trade surplus

Customs cleared (\$bn)



Source: Ministry of Finance

record figure, the mix of Japanese trade has changed significantly over the past five years. Asia has replaced the US as the most important trading region, manufactured imports have risen, and overseas production bases have increased. Yet the most serious trade "problem", the competitiveness of Japanese products, remains. Tokyo did all the right things post-1985, having overseen an appreciation of the yen, stimulated domestic demand, opened up markets, and run import promotion campaigns. But the slowing of domestic growth this year and the surge in capital investment

by Japanese industry over the past two years has given them the means and the inclination to increase exports.

Mr Noboru Hatakeyama, vice-minister for international affairs at Ministry of International Trade and Industry (MITI) official said yesterday, AP-DJ reports from Tokyo.

Last week, Seoul acted to stop domestic banks borrowing overseas for the rest of the year and to cut foreign-currency loans to South Korean companies for buying foreign-made capital goods. It also moved to increase loans to companies buying locally-made machinery instead of imported goods. If the policies were specifically aimed at Japan and violated Gatt, Japan might protest, the official said, but would try to resolve differences amicably. Japan's surplus with South Korea in 1990 was roughly \$5.8bn (\$2.43bn). With Japan's bilateral surplus during the first half of 1991 reaching \$4.5bn, observers think it could reach \$10bn for the year. Machinery accounted for some 60 per cent of Japan's \$17.5bn exports to South Korea in 1990.

His biggest concern is that the US recovery will suck in Japanese imports, as appears to be happening, and that Washington will make his job all the more difficult. But Mr Hatakeyama believes that the improvement in the terms of trade will continue after a year or so. "The fall of imports this year with the collapse of the financial bubble is a one-time event. This (trend) may continue for one or two years," he said. The removal of the bubble, he indicated, will make clearer the structural changes in the Japanese economy, and imports will resume their rise.

While Mr Hatakeyama is confident that this year will be a blip on the graph, foreign economists based in Tokyo are competing to come up with enormous figures for the Japanese surplus in the next year or two. Estimates of \$100bn for calendar 1992 are common, and the figure for the current year is reckoned to be somewhere between \$70bn and \$85bn, with the "special factors" of oil prices and currency responsible for about \$20bn of that.

Meanwhile, the current account surplus, which includes invisible trade, is also on the rise. It was up 136.6 per cent in the second quarter and, after falling from \$87bn in 1987 to \$35.7bn last year, is widely expected to be between \$50bn and \$60bn this year. The Gulf War prompted some Japanese to cancel planned overseas trips earlier this year, which has had the effect of increasing the current surplus, while the "special factors" have again exaggerated the overall rise.

Special factors aside, Tokyo will be pressed in coming months by its trading partners to be seen to be acting over the very visible surplus. The large end-year figure could inspire vote-conscious US Congress representatives to suggest nothing has changed, and to seek a tougher line.

US asks for Gatt conciliation in row over Airbus subsidy

The US has taken its argument with the European Community over subsidies on Airbus airliners one step further with a request for conciliation from the General Agreement on Tariffs and Trade (Gatt), a US trade official said yesterday, Reuters reports from Geneva.

Washington asked for conciliation - the last necessary step before it is entitled under Gatt to ask for a dispute panel ruling - three weeks after formal consultations with the EC had failed to resolve the Airbus argument.

"Those consultations had not led to a mutually satisfactory result," the official said. Washington charges that big subsidies on the airliners enable the four-nation Airbus consortium to rob market

Taiwan shelves China tyre factory project

Kao Koon-lian, vice-chairman of the council, stressed that the application had not been rejected and would be considered again later this month.

Economists estimate that Taiwanese businessmen, trying to escape soaring land and labour prices at home, have poured more than \$20bn into at least 2,000 investments in China since the late 1980s, when political tensions began to ease.

Senior officials have said in recent months, however, that they may impose curbs on investment in China because Beijing could use its control over the projects to blackmail Taiwan.

The Investment Commission put on hold an application by Cheng Shin Rubber Industrial Company to invest \$20m in a tyre plant in China's coastal city of Xiamen, a commission spokesman said.

He said the cabinet's Mainland Affairs Council, which formulates Taiwan's policy towards China, had expressed concern about the large size of the investment.

Japan-Soviet barter plan

JAPANESE companies and the Soviet Union are expected to sign a new agreement by the end of the month to barter Siberian timber for Japanese construction equipment, according to the Japan-Soviet Business Co-operation Committee, a Japanese business group, Reuters reports from Tokyo.

Exporters, the Soviet agency which handles timber, and KS

Industry, a consortium of Japanese companies including construction machinery maker Komatsu and trading company Marubeni, are negotiating detailed contract terms, he said.

"Final amount and prices of goods are still under negotiation."

It will be the fourth such agreement since 1988.

Farm trade reform 'could feed hungry'

ANY LIBERALISATION of agricultural trade through Gatt is likely to result in a considerable increase in what is called food aid, a Swenson conference was told, Geoff Tansey writes.

Although official cereal food aid has stabilised at about 11m tonnes, as much as 60m tonnes of the cereal trade could fall into the category of aid, Professor Hans Singer told the Development Studies Association conference.

Total imports of food to developing countries are about 90m tonnes, but only 30m tonnes are strictly commercial. Foes for that 30m tonnes are demanded by EC, Japanese and US policies.

Prof Singer believes the question of definition will become important if a Gatt agreement is reached which includes the draft guidelines excluding "genuine food

aid...We will see an expansion of the kind of transaction countries want to label food aid," he declared.

This decade would see attempts to bring food and financial aid together and put them under the control of the IMF and the World Bank rather than UN agencies. Only about 20 per cent of official food aid is for emergencies. The rest either supports food for work projects or government programmes by providing food for sale locally with the funds used to support other activities.

Mr Ed Clay, of the Overseas Development Institute, disputed donor countries' definition of food aid. The EC had given more food to Poland than the rest of the world had. But this was allocated from the EC agricultural, rather than the aid, budget.

Thomson VCR production for Singapore

THOMSON Consumer Electronics (TCE), the leading French maker of audio and video equipment, is to shift production of its cheapest video-cassette recorders (VCRs) from Berlin to Singapore, William Dawkins reports from Paris.

The move is triggered by rising costs following German unification and the continuing price war in the 10m-unit-a-year European VCR market, TCE officials said.

It is the latest example of a

European electronic group seeking to boost output of mass-market goods in the low-labour-cost countries of south-east Asia.

The move means the workforce at the 1m-unit-a-year capacity Berlin plant will be cut by 250 from 730. The remaining production will be reserved for the European sales of JVC, the Japanese electronics company.

TCE and JVC have had a joint venture, called J2T, producing VCRs in Europe dating

back to 1983 when Telefunken linked up with JVC a year before TCE bought the German group.

TCE's Singapore plant, opened two years ago, is run as a joint venture with Toshiba. TCE plans to open by the middle of next year a new VCR plant in Germany, probably at its TV research and development centre in Villigen, to make top-range machines likely to sell in France for FF5,000 (£500) or more.

TCE's links with JVC are also being reorganised. The French group owns the Berlin plant 50 per cent with JVC, which is now to take a controlling stake in the venture.

They will continue to have equal shares in a French plant making mechanical components for VCRs, while J2T will still be owned 50 per cent by the French and Japanese partners, Thomson officials said.

Finns and Estonians in oil venture

NESTE, the Finnish state-owned oil and chemicals group, and Eesti Kütus, an Estonian oil supply company, agreed yesterday to set up Estonian Transoil, a joint venture to build a \$50m (£29.5m) petroleum products terminal at Tallinn harbour, Enrique Tes-

leri reports from Helsinki.

The terminal will have a tank farm with 60,000 tonnes of capacity, in addition to existing storage able to meet local annual needs of 3.5m tonnes. The venture will be controlled 55 per cent by Neste and 45 per cent by Eesti Kütus. Neste said

"less than half" the cost will be carried out in hard currency, the rest in roubles. The terminal will store all grades of petrol, diesel, and heavy and light fuel oil, will help Estonia cut its reliance on oil supplies from the Soviet Union. Work starts next spring.

Japan-Soviet barter plan

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"Final amount and prices of goods are still under negotiation."

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INTERNATIONAL NEWS

Time hangs heavily at headquarters

Richard Donkin on the mood at the bank's offices in Abu Dhabi

HC THE BANK officer poured one more cup of tea and lit another cigarette at his desk in the Abu Dhabi headquarters of the Bank of Credit and Commerce International. There was nothing else to do. The last stronghold of the BCCI empire has been reduced to a few tiers of bleak, inactive, open-plan offices above the sheikhdom's main shopping centre.

Every day at 8am some 500 staff report to work at the central office. Every day they leave at 1pm, then return at 4pm for a further three hours. Few are asked to do anything.

"We get the occasional request from the Touche Ross accountants working for the provisional liquidator, but mostly we do nothing," said the officer, who, like most of his colleagues, used to work at the former London headquarters of the bank in Leadenhall Street, before it moved to Abu Dhabi last year.

The officer is one of the veterans of the meeting from which BCCI was formed. He recalled the day, September 30 1972, when some 50 executives, mainly from branches of the United Bank of Pakistan, were called together in Beirut by Mr Agha Hassan Abedi, their chief executive, for "an important announcement".

All the travel expenses and bills at the elegant Phoenix Hotel where the meeting took place had been paid for by United Bank. "It was a beautiful time," said the officer, who remembered Mr Abedi announcing that BCCI, which had been registered in Luxembourg a few days earlier, would grow



Making plans: Sheikh Zayed, pictured this week, is said to have set a deadline for an outline of rescue proposals

The surviving BCCI officers do not expect to see any of their senior management, currently being detained for questioning at the Abu Dhabi Police Club, return to the bank. "It would be too humiliating for them," said one of the joint executives, who had himself been held for 24 hours after the initial police raid on the bank, has set a deadline of September 15 for an outline of restructuring proposals.

Abu Dhabi has officially denied any such deadline, and the date seems curious, given the breathing space until December 2 allowed by the High Court in the UK for the drawing up of any serious rescue plan.

The remaining 20 per cent of the workforce expects to move to one of the other BCCI branches in Abu Dhabi or to new premises which might form a platform for a relaunch.

"The sheikh has the means to restructure the bank. He would have done so before had the Bank of England not moved against it. That hurt him badly," said one officer.

some substance to the euphemism, "helping police with their inquiries".

Even though Abu Dhabi has no experience of large-scale arrests of this kind, the police action appears to have been effective except for the odd case of mistaken identity.

Abu Dhabi officials insist that the action had nothing to do with any other jurisdiction, although only a day lapsed before investigators in the US sparked a flurry of low-key and highly sensitive diplomatic exchanges in an attempt to secure the handing-over of Mr Naqvi, the only one of those held who has been indicted in the US on fraud charges.

In the absence of a formal extradition treaty between the two countries, the US Justice Department and the office of Mr Robert Morgenthau, the Manhattan district attorney, which issued the indictment against Mr Naqvi, are pursuing a joint request for an informal handover. While official Abu Dhabi sources insist that the sheikh would be unlikely to accede to the request, US sources say their initial soundings were more favourably

received than they expected. Given the promise by Mr Douglas Hurd, the UK foreign secretary, that the British government would not block viable plans for restructuring the bank, the mild optimism in the US seemed less misplaced than it might have been a few weeks earlier.

One option for the sheikh - should he consider that a prima facie case could be made against Mr Naqvi or any of his former colleagues - is that they could be charged in Abu Dhabi. Another possibility is that the detained officers may simply be allowed to leave the country after giving their version of the events surrounding the alleged fraud.

The police action has paved the way for a new bank hierarchy. Officials say that Mr Christian Hollander, the only top-tier BCCI executive in Abu Dhabi who was not held by police, will be made chief executive. His role at present however is still far from clear, and it may be no more than a token position since all decisions are made by the provisional liquidators in consultation with the local court receiver.

Touche Ross accountants have been instructed not to talk to the press, but BCCI officers who have been watching them work say they have been making heavy weather of attempts to arrive at the financial position of the bank. "If they would let us help them a little more we could explain a lot," said an officer. "BCCI is not like other banks."

WORLD ROUND-UP

Nominee for CIA to face bank questions

By Alan Friedman in Washington

MR ROBERT GATES, the Bush Administration's nominee to head the Central Intelligence Agency (CIA), is expected to face questions about BCCI next week when he goes before the Senate Intelligence Committee for hearings on his nomination.

Mr Frank Murkowski, a Republican senator from Alaska who serves as the committee's vice-chairman, disclosed that the issue would come up as he emerged yesterday from a White House strategy session called by President George Bush to discuss the Gates nomination.

The CIA has steadfastly denied having made any illegal use of BCCI since it was revealed in July that the US intelligence agency maintained a series of accounts with the bank that were used to finance covert operations. Among these operations was the use of BCCI branches in Pakistan to finance Afghan rebel fighters, the finance minister of Pakistan said in July.

In late 1988, when he was deputy CIA director, Mr Gates was asked for information about BCCI by Mr William von Raab, then US commissioner of customs. Mr von Raab, who was preparing at the time to announce the first BCCI drug money laundering indictments, has said that Mr Gates was "less than candid" because he failed to disclose the CIA's own use of the bank.

A separate issue that is likely to emerge is how much the CIA knew of BCCI's alleged criminal activities. A 1986 CIA memo circulated inside the Reagan Administration included the agency's view that BCCI secretly owned First American Bankshares, the Washington bank that was chaired until last month by Mr

Clark Clifford. But no action was taken by the Federal Reserve on the BCCI/First American matter until just a few months ago.

PERU: Former president Mr Alan Garcia walked out of a congressional hearing, saying the panel had already concluded that he was guilty of allegations that he enriched himself while in office between 1985 and 1990.

After three days of testimony during which he denied being linked to alleged bribes taken from BCCI by three former central bank officials, Mr Garcia protested when the panel said his lawyer would not be allowed to speak or ask questions.

Mr Garcia charged that the panel, appointed by the Chamber of Deputies, had "already made its decision" about the allegations against him. He said he would appeal to the chamber for the right to have his lawyer take part in the hearings.

However, several parliamentarians said that Mr Garcia is not being tried by the panel and therefore cannot claim that right.

Mr Garcia faces accusations that he embezzled at least \$600,000, evaded taxes, was corrupted by accepting a \$5,000 cheque from the United Nations Food and Agriculture Organisation, and falsified documents.

UK: The staff of BCCI and its Abu Dhabi shareholders have made common cause to relaunch the bank.

Ms Rumi Khan, joint manager of BCCI's main branch in the City of London, said staff are attempting to map out proposals for a new bank which will be presented to depositors before submission to BCCI's shareholders.

'Roller coaster US truck market means everyone is losing'

By Kevin Done, Motor Industry Correspondent, in Frankfurt

THE HEAVY truck industry in North America was "totally out of balance" and no companies, including the vehicle assemblers, the component makers and the dealers, were able to make a profit, Mr Sten Langenus, chief executive of Volvo Truck, the Swedish commercial vehicle maker, said yesterday.

No company could today safely fund a complete product and component line within the present uncompetitive structure of the industry. "Now the fight is to survive," he told the Financial Times World Motor Industry conference.

Each truck maker in North America had maintained excess capacity and capacity utilisation would be down to around 55 per cent this year.

FT CONFERENCE WORLD MOTOR INDUSTRY

He said that demand in the North American truck market fluctuated "like a roller coaster". Between 1978 and 1984 more than 50 per cent of the market had just disappeared. "We have seen similar drops several times; it is a real nightmare for production planners and industrialists."

Mr Langenus warned that the industry could not secure funds for product development from sales in North America. "It has prevented the industry from making any major technological progress during the past 15 years. Development cycles drag out. When development for environmental and safety legislation has been paid for, there is simply no money left."

Road transport costs in the US were half the levels in Europe and the gap to Japan was even greater. "If all this continues, the truck industry in North America will end up selling wheel-barrows," he said.

Mr Langenus said worldwide stricter environmental legislation in combination with tougher

customer demands would sharply increase product development costs, forcing a continuing restructuring of the truck industry.

He called for an opening up of the Japanese truck market, where foreign truck-makers scarcely have a presence today, but said that for foreigners the long-term outlook "is most likely positive in Japan".

Mr Junji Numata, Toyota managing director responsible for Europe, said the European motor industry needed to make a "stepped up commitment to customer satisfaction". It needed technological advances for the environment, fuel economy and safety, and there had to be more co-operation among vehicle-makers.

Differentials among car-makers were narrowing in terms of vehicle performance and quality, and as a result, marketing was becoming an increasingly important competitive criterion.

"Competitiveness in this market will depend more and more on building efficient dealer networks and furnishing quality after-sales service. And this is an area with a great deal of untapped potential for

enhancing customer satisfaction."

Mr Numata said he perceived "immense potential growth in the European market", which would grow from around 18m vehicles last year, including the Soviet Union and eastern Europe, to a 20m market by the end of the decade.

German reunification would create the development of "a huge and vigorous market in Germany", while the creation of the single European market would "stimulate economic vigour". Most promising were the impending reductions and unification of taxes that applied to motor vehicles, he said.

Increased co-operation among vehicle-makers was needed because challenges such as the environment, safety and traffic systems called for a response beyond the capabilities of any single auto-maker. "We need to pool our technological resources and our financial resources." Ways should be studied to develop and share common components.

Prof Daniel Jones of Cardiff Business School said there

were great dangers and opportunities ahead in the European auto industry, but car-makers had no alternative to adopting "lean" production and development methods. The slowest plants and companies would not survive to the end of the decade.

The leading "lean" car producers currently had two-to-one advantages in most aspects of car-making over traditional "mass" producers. The best Japanese car-makers were achieving productivity levels of 17 hours per car, compared with 25 in the US and 36 in Europe, while design and development time for a new vehicle totalled 46 months in Japan, compared with 60 in America, and 85 in Europe.

Lean production no longer depended on its Japanese origins, however, and the relevant competition was now coming from lean plants within each region of the

world. He said there was no general problem of over-capacity in the vehicle industry, only a shortage of "lean" plants and an over-capacity of traditional mass production plants.

Mr Jurgen Hubbert, Mercedes-Benz car division director, said opinions varied as to the precise figures for how excessive the production

chance in the top segment."

The customers did exist, however, as it could be assumed that real income would continue to grow in the industrialised countries.

The number of wealthy households, defined as having an income of \$100,000 (£25,000) to \$250,000, would increase by 70 per cent by the turn of the century.

At the same time, vehicle running costs represented an ever-smaller part of disposable income, leaving more of households' vehicle budgets available for purchases.

Competition would also become far tougher in the luxury car segment and the relaxed atmosphere of certain markets would give way to growing competitive pressures involving manufacturers from all continents in all market segments.

It was no longer possible to overlook the warning signals. "The annual reports in the international automobile industry have shown an average fall in profits of 57 per cent. This is ominously similar to the 50 per cent cut suffered by the profit margins of large German supply firms."

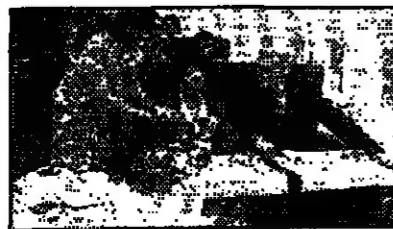
'If all this continues, the truck industry in North America will end up selling wheel-barrows'

TECHNOLOGY IN THE OFFICE

The FT proposes to publish this survey on 8th October 1991. It will be of special interest to the 145,000 Businessmen included in decision making about office equipment, who read the FT. If you want to reach this important audience, call Edward Hart on 071 873 4196 or fax 071 873 3062. Data Source: BMAC Benchmark Survey 1990.

FT SURVEYS

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A Strong Partner in Europe's Future

A leader in Japanese electronics, consumer appliances and heavy electric apparatus for over a century, the Toshiba Corporation is positioning itself to become a powerful force in an integrated Europe. But in this interview, Toshiba's President Joichi Aoi stresses that fair competition with all players observing the rules of free trade is the key to tapping the huge European market for the benefit of all.

By James C. Abegglen



Mr. Joichi Aoi, President, Toshiba Corporation

Abegglen: Toshiba now boasts some 68 subsidiaries worldwide including 35 in Europe. How much do these contribute to Toshiba's total turnover?

Aoi: Exports from Toshiba itself account for about 30 per cent of our total turnover and if these are divided into our three main markets—Europe, North America and Asia—North America comes first, with Asia closely following Europe which accounts for about 7 per cent of the total. While Asia is surpassing the other two in terms of growth, the strategic importance of Europe is increasing. In addition to exports however, local production of Toshiba subsidiaries worldwide accounts for about 10 per cent of our total sales.



Abegglen: In terms of investment, which European country is hosting the largest share of Toshiba's offshore capital investment?

Aoi: In our European operations, we have focussed on three main countries: the UK, France and Germany. But in terms of accumulated capital investment, Germany tops the list. The reason for this lies in the historic development of Toshiba's businesses. In the UK, which is one of the first European countries where we established a production base, we have concentrated on manufacturing colour TVs in Plymouth. A new investment is now seeing the start industrial-use air-conditioner manufacturing, also in Plymouth.

Focussed Investment

In France, we have been expanding production facilities for copiers and their consumables in Martin-Eglise, and are also reinforcing manufacturing operations at our joint venture with GEC Alsthom.

In Germany, we began by investing in the field of semiconductors in Braunschweig and then started to manufacture VCRs in Mönchengladbach and personal computers in Regensburg. As you will realize, the investment in plants and facilities to manufacture these products is large.

Abegglen: Investments such as these have not gone unnoticed by some European governments and industry groups who complain that Japanese electronics companies want to monopolise the European electronics market. What is Toshiba's response to such allegations?

Aoi: Japanese electronics companies are not attempting to monopolise the European market for these products. The European market is quite large and there are many highly profitable and highly efficient manufacturers in Europe.

Generally speaking, when Japanese electronics companies enter this market we make every effort to ensure that our entry does not create a surplus in supply which will lead to severe competition in the market. I'm sure you'll agree that this is to everybody's benefit. In this sense, Japanese companies should aim for an orderly European market which allows all companies to develop and prosper together.

Speaking specifically about Toshiba, our policy is to 'harmonise' and not 'monopolise'. We know that there are many large and excellent companies in

Europe such as Thomson in France, Philips in the Netherlands and Siemens in Germany manufacturing a wide range of consumer electronics goods, electronic machinery and components. We do not want to generate unnecessary friction with them by our entry into Europe. Of course, in order to become strong Toshiba must compete and in the process of that competition some friction will naturally arise. We should not be afraid of that but we should avoid unnecessary friction.

Abegglen: How is Toshiba attempting to prosper in harmony with its European competitors?

Aoi: Over the years, we have formed alliances with several European manufac-

turers. For example, we cooperate with Nokia in consumer products, and with Telic Alcatel in the facsimile business. Indeed, some of the TV receivers we manufacture in Europe contain picture tubes produced by Thomson and Philips. With Siemens in Germany, we have extended our technology for producing 1-megabit DRAM chips and as a result, Siemens is today one of the biggest suppliers of 1-megabit DRAM chips in Europe. We have also teamed up with Siemens and Harris of the US in the development of semi-customised semiconductors.

One of the issues here is the nature of the capital used to develop the European market for such products. Some believe that only European capital and European technology should be used but I do not agree. By introducing different and unique technologies and production procedures from Japan or elsewhere, the European market will grow and all those participating in that market will grow as well.

Abegglen: You described the nature of your relationship with Siemens as an "alliance". Why do you prefer this type of relationship and not a joint venture?

Aoi: Alliances and joint ventures have their own advantages and disadvantages. Some Japanese companies are now less enthusiastic about forming joint ventures with specific partners because their experience has not been good. In Japan we have a saying: "Sharing a bed, but dreaming different dreams". It is difficult if two people try to steer the same ship to different destinations.

The key to a joint venture is sharing a common objective.

As you know, in 1990 we formed a three-way joint venture with Germany's AEG and Thomson in France called Compagnie Européenne Pour La Fabrication D'Enceintes A Micro-Ondes, or CEFEMO, manufacturing microwave ovens which has been very successful. Output this year is expected to reach 500,000 units but this will rise to about 800,000 units by 1993.

New Facilities at French Joint Venture

And in March this year, we commissioned new processing facilities for shaping, welding and painting oven body parts which will free CEFEMO from having to rely on supplies of metallic

components from other companies elsewhere in Europe.

But alliances are also useful. One of the best examples concerns semiconductors, where the range of functions and capacities available is so large that no single company can supply all types. Therefore, the best way for us is to share our strengths with each other as we did with Siemens. We have strengths and they have strengths and when we establish a base for technical cooperation, an alliance develops.

Abegglen: In order to quickly establish a presence in some European countries, is M&A a strategy which Toshiba may adopt as other Japanese electronics companies have in the US?

Aoi: We have been acquiring marketing or sales companies for a long time but very few manufacturing companies. In general, Japanese companies are not enthusiastic about M&A activities.

For Toshiba, we do not view a business as a product which can be simply bought and sold. When we acquire a company, that company becomes part of us and becomes part of our future growth. You must not forget that we at Toshiba have had our own experience of amalgamation. Toshiba established itself as a fully integrated electric/electronics manufacturer in 1939 when Shibaura Engineering Works Co. and Tokyo Electric Co. merged.

Even in a relatively simple amalgamation, it is a difficult and complicated process to integrate systems of human relations. To merge a company is not as simple or easy as many people think. If we are faced with this situation, we will do whatever is necessary but we will do it in a prudent manner.

Abegglen: I understand that Toshiba has recently established a new R&D facility in the UK. Could you give more details?

Aoi: It is often said that among Japanese companies basic research is insufficient, and we have areas in which we are strong and others where we need more study for our own sake.

New UK R&D Facility

However, when we conduct research and development, we try to make the results available to people everywhere so that they can be shared for the development of the whole society. For this reason, we established a research facility in Cambridge which qualified university professors manage and where Toshiba's engineers and researchers can also work and learn.

We have a long relationship with the UK in research. Our laboratories receive researchers from the UK under "Toshiba Fellowship Program" scholarships and there is a constant flow of communication about research projects and findings. Although this process began in the UK, we are looking at extending it to other European countries.

Abegglen: How is pending integration of the European market in 1992 influencing Toshiba's corporate policy for the EC?

Aoi: I have often been asked the question: "How will we cope with 'Fortress Europe'?" This is a difficult question to answer because the level of technology varies from industry to industry and country to country and you cannot generalise. However, our present policy is simply to manufacture products near the market, based on the needs of that market. So far this strategy has been very effective and if we continue to be successful, it does not matter whether Europe is a 'fortress' or not.

For the future however, we have adopted a prudent attitude. In recent years some dramatic changes have taken place in Europe such as the unification of Germany, and the ramifications of this are still being felt. At the same time, different and conflicting forces are at work in parts of Eastern Europe and the Soviet Union and this will influence the whole of the continent.

We must monitor these developments closely. We must remember that when plans were being formulated for the unification of the EC, the member countries had no idea that two German countries would be unified as quickly as they were or that they would be unified at all, for that matter. How the countries of Europe will adjust to the emergence of a united Germany is a very important issue for the Community.

Abegglen: What is Toshiba's policy regarding Eastern Europe?

Aoi: We have not made any investments in manufacturing in Eastern Europe yet. For the moment, we are content with selling equipment and maintaining the equipment we have already sold. We do not have subsidiaries in any Eastern European country although we have been involved in technical assistance projects and plant sales. We have supplied heavy electric equipment for power plants in Bulgaria and Yugoslavia and helped these countries to improve their industrial infrastructure. However, this business is unlikely to expand significantly until economic conditions in these and other Eastern European countries improve. For us, it is better to cooperate with Western European companies who are undertaking projects in Eastern Europe.



Mr. James C. Abegglen, Professor of Sophia University, Tokyo

Abegglen: Does Toshiba adopt different strategies for different European countries?

Aoi: As a general rule, it is not efficient to produce similar items such as TV receivers for example in every country. Producing several versions in one location is best. However, the difficulty with Europe is that for one product consumers will have different preferences.

Adapting To Consumer Preferences

In the UK for example, British consumers rank function as most important when choosing an appliance whereas in other parts of Europe, consumers rate appearance very highly. Consequently, different products have to be adapted for different countries. Customer preferences are always changing so we have to adapt to this: it is hard but that is the nature of our business.

Abegglen: In this adaptation process, is the experience of local management important?

Aoi: It is almost essential. In the UK for example, local staff were recruited and trained to assume senior management positions from the very start of our operations and in fact our British executives have melded their own management methods with Japanese ones. Throughout our operations in Europe, the managing directors of about 20 of our European companies are local people.

Local Managers are Essential

And of course, managers working for our overseas subsidiaries and manufacturing plants are regularly brought to Japan for training sessions. These sessions, lasting about two weeks and generally for about 20 managers from around the world, are conducted in English. Indeed, meetings with top management staff from overseas subsidiaries are all conducted in English.

Abegglen: Toshiba presents the company's management philosophy in terms of "Global Corporation, Local Citizen". Can Toshiba become a European citizen?

Aoi: Our subsidiaries in Europe must become European citizens, otherwise they cannot do business. However, this is common business sense. Companies are a major element in any community and they help to create communities. Naturally, most employees at a plant are local citizens.

This is very important: we are not seasonal workers who return to our own country once our job is done. We have to help create communities by actively participating in community activities, in the same way in which our offices and plants in Japan take part in local activities. To ensure that our employees worldwide can fully understand the company's philosophy, we produced versions of the "Basic Commitment of the Toshiba Group" in 11 languages. The Basic Commitment is a statement of our respect for the people, social mores and business practices in each region; understanding them is indispensable for successfully managing a multinational company.

Abegglen: Finally, how do you see Toshiba's future in Europe? Will electronics become as politically sensitive worldwide as say the automobile industry?

Aoi: This is a very difficult question because I can see potential market growth as well as problem areas.

Looking from Japan, the European market could be described as a "mature adult" market and we need to realise the nature of the market when identifying new products and market sectors. For example, our Toshiba lap-top computers were extremely successful in Europe. I would say that Europe "made" these computers for us and it was that success which encouraged us to launch them in the US just one year after they became available in Europe. The European market is large and still has tremendous room for growth, especially in electronics.

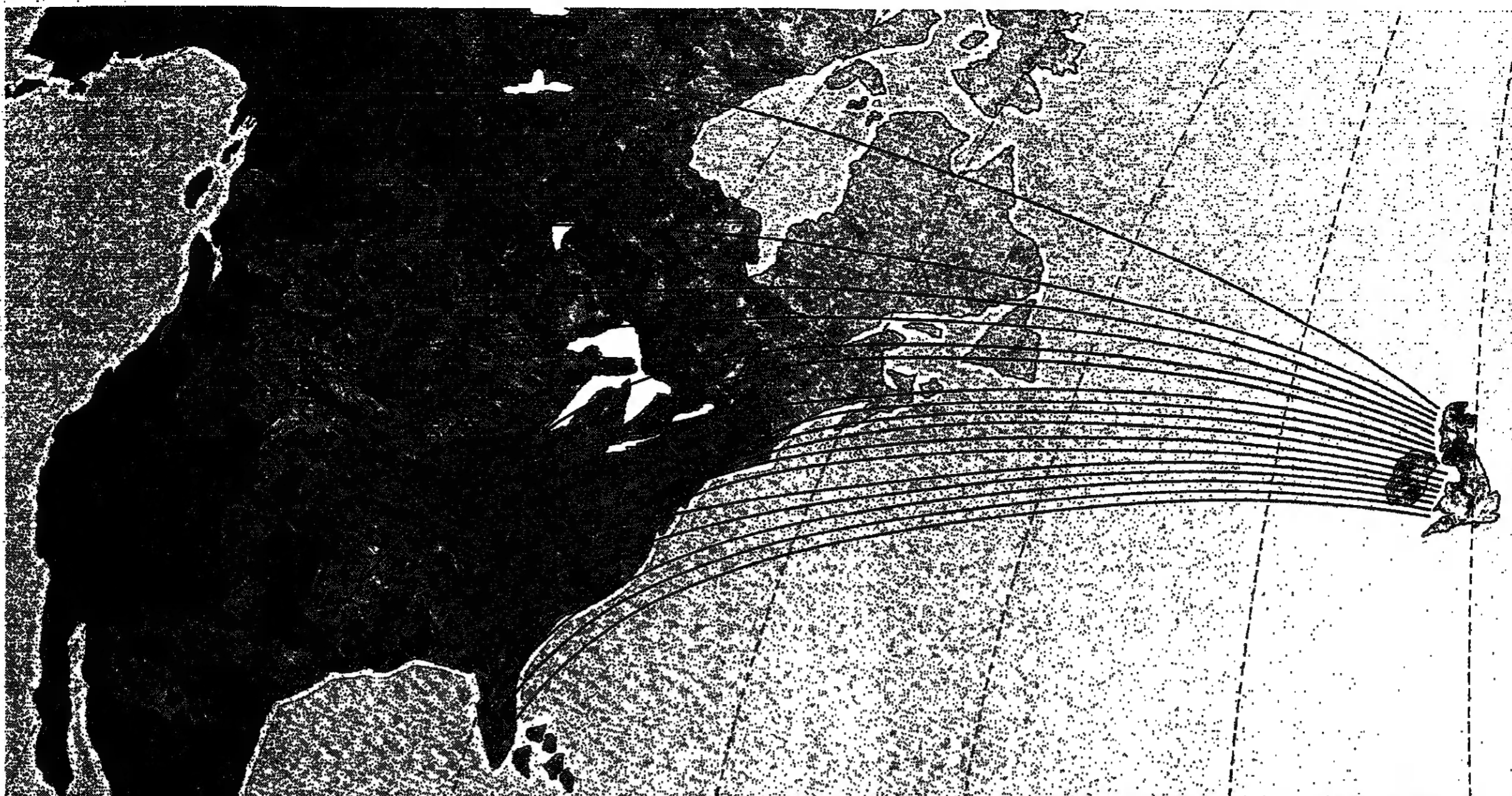
However, electronics are inevitably connected with telecommunications and this is a most sensitive area because it is related to national policy. In the case of Japan, the telecommunications industry is regulated by the Ministry of Posts and Telecommunications. The Japanese market is now deregulated and the former sole common carrier, Nippon Telegraph and Telephone (NTT), has been privatised. But the situation in Europe is not so free, and if Japanese companies try to enter this field independently, it may cause friction.

We will take this into consideration as we develop our business.

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UK NEWS

Liberal Democrats promise electoral reform • Party 'will not' support minority government • Pledge on 'quality economics'

Ashdown issues challenge to political rivals

By Alison Smith

THE Liberal Democrats will break up the unfair political system and re-build "bombsite Britain", Mr Paddy Ashdown, the party leader, pledged yesterday as he warned Labour and the Conservatives that he would not support any attempt by a minority government to stay in power.

Every vote for the Liberal Democrats would, he said, "be used as a battering ram to bring Britain fair votes and justice in the ballot box". Speaking of a mood of democratic renewal in the 1990s, which had swept through eastern Europe and the Soviet Union, he said that Britain could not be immune.

In his speech at the end of the party's annual conference in Bournemouth, Mr Ashdown set out at length the party's radical plans for "quality economics" in which government powers to manage the economy would be curbed, a more rigorous competition policy

enforced and the power of the consumer increased. He also spelled out the consequences of proportional representation in terms of a more stable democracy in which the economy was not subject to "boom and bust," and there were no abrupt changes of direction.

He challenged Labour and the Tories to say whether they would try to govern if they did not win an overall majority, and said that if they did try they would risk long-term instability for short-term advantage, and show how little they valued democracy. Calling the 1980s the "decade of demolition," he said that Mrs Margaret Thatcher had failed because she could not build where she had destroyed, and warned that poverty and squalor were undermining social cohesion.

Yet Labour had no vision for the future: "cautiousness, timidity, conservatism - these



Rising from the ashes: Ashdown urges delegates to forget their 1987 electoral defeat and rebuild 'bombsite Britain'

are reasons why Labour is unfit for government." In his own picture of a successful Britain, he stressed the importance of maximising women's potential.

The most sustained applause came for his call for the private initiative and personal fulfil-

ment of "the selfish decade" to be balanced by a sense of public good. Without referring directly to the party political broadcast last night by Dr David Owen, the former leader of the defunct Social Democratic Party, in which he called for

an all-party coalition of anti-federalist MPs, Mr Ashdown re-emphasised the Liberal Democrat commitment to a federal Europe.

Rejecting fears that Britain would be giving up its sovereignty, he said that "real patriotism is wanting your country

to be a part of the new Europe". With a promise not to indulge in attacks on personalities, Mr Ashdown's 50-minute speech contained little of the routine mockery of other politicians which is often a feature of party leaders' speeches. Viewpoint, Page 15

Third forces hopes to score on Conservative rebound

THE best result for the Liberal Democrats in the next general election would be a Conservative victory which drove the Labour party into acceptance of electoral reform.

If Mr Paddy Ashdown, however, is to emerge from the election as the leader of a credible third force then he has to win over disenchanted Tories - thereby making an outright victory for Mr John Major less rather than more likely.

To attract those votes he has to persuade the electorate that support for the Liberal Democrats would not let Mr Neil Kinnock into Downing Street by the back door; that whatever else happens, Labour simply cannot win.

In effect, Mr Ashdown will be asking the voters to risk a parliament where no party has a complete majority. But he cannot admit it. If he does

the electorate may decide that minority government is not an option worth voting for.

Such are the awkward contradictions which face the third party in Britain's two-party electoral system. So it was hardly surprising that Mr Ashdown and his colleagues decided the best tactic was to pretend that the dilemma does not exist.

The disciplined sobriety of the week's proceedings could not in the end stifle entirely the speculative forays into a future beyond an inconclusive general election result. What will you do if it is a question that will not go away, as Mr Ashdown himself was forced to acknowledge in his closing speech yesterday.

But the distraction was manageable. The Liberal Democrats had enough to say to give credence to Mr Ashdown's claim that the party was more than a spanner for the voters to

throw in Tory or Labour wheels.

At the root of the optimism was a perception among the leadership that the ground is more fertile than ever before for constitutional change.

Against the backdrop of upheavals in eastern Europe and the march towards integration in western Europe, calls for devolution, a bill of rights and a more proportional voting system may begin to strike chords with British voters.

The message was that western European nations already have more devolved, open, systems of government and that their newly-liberated counterparts in the east are striving for the same.

In spite of its remarkable rebirth from the ashes of the old SDP/Liberal Alliance, the party still commands the support of just 16 per cent of the electorate. The much-decried Mr Neil Kinnock has at worst 35 per cent and

probably closer to 40 per cent.

Its local councillors gave the conference a much steeper, more sober air than many of its predecessors. But there was still the parochialism of a party that can claim only 22 of the 650 MPs at Westminster.

Where Mr Ashdown succeeded this week was in persuading his supporters that the party's perennial demand for proportional representation can now be couched in unselfish terms.

After the "centralising excesses" of three Conservative governments and Labour's ragged retreat from socialism, voters might be persuaded that it was the political system not just the party in power that needed changing; that Britain could not be excluded from the spirit of democratic renewal.

There were Liberal Democrat policies set out alongside the political ambitions. The free-market radicalism of its economic strategy, with its

emphasis on enterprise and competition, was blended with a promise to level the social playing field by spending more public money on education.

An independent Bank of England would be charged with anti-inflation policy, but Mr Ashdown promised a "relentless war" by the government against poverty. The fundamental aim would be to balance individual freedom with a sense of the public good.

The delegates who left Bournemouth yesterday seemed convinced that they had at last something to sell on the doorstep during the election campaign. It must be seen odd though after a week of such promises, pledges and predictions, to reflect that the best hope of their eventual realisation lies with Mr Major's return to Downing Street.

Philip Stephens

Former SDP leader criticises federalism

By Ralph Atkins

DR DAVID OWEN, former Social Democratic Party leader, last night used what could be his valedictory political broadcast to appeal for MPs of all parties to unite against a possible "United States of Europe".

He said the SDP, which is now regarded as defunct, backed Mr John Major's argument that it might eventually be in Britain's interest to have a single European currency, but that it would be for a future Westminster parliament to decide.

Dr Owen, who confirmed last week that he would stand down as an MP at the general election, warned that Britain might need to exercise its

European Community veto in December when treaties on economic, monetary and political union are debated.

"If Britain were to adopt a single European currency, accept a common foreign policy, and join a European defence community then there is no question: Britain would no longer be an independent nation," he warned.

Dr Owen was given a political broadcast on the basis of his party's standing at the last general election.

In theory the SDP could be given another during the next campaign, although the other political parties, particularly the Liberal Democrats, may object.

Smith outlines plans for monetary union

By Ralph Atkins

CONVERGENCE among European Community members on a much broader range of economic indicators union than envisaged in proposals from the Dutch presidency is required for successful monetary union, according to Mr John Smith, the Labour party's chief financial spokesman.

Member states must also be able to sustain adequate growth and employment without big trade deficits as well as converging on inflation rates and ensuring currency stability, Mr Smith said yesterday.

For the UK it would require, "a much greater effort to establish long-term industrial strength than has been the case in the last decade."

His speech to a Deutsche Bank seminar in Berlin re-emphasised Labour's belief that,



Smith: backs broader union while a single economic currency would bring benefits. European member states are a way off the ideal conditions for monetary union.

requirements on convergence could only be achieved, "if economies have a reasonable balance in their relative competitiveness".

He added: "The UK needs sustained investment in industrial capacity, in education and training, in research and development and innovation, and in the economic infrastructure."

Mr Smith said EC regional and structural funds had to be enhanced and used to assist convergence. There was also a need for a common framework on industrial policy to work in tandem with the new regional policy.

"If there were growing disparities of income between its [the EC's] regions, we would encounter the heavy social costs of large scale migration," he warned.


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BRITAIN IN BRIEF



Matsushita in TV talks with Philips

Matsushita, the Japanese consumer electronics company, yesterday said it was talking to Philips of the Netherlands about the production of television picture tubes in Britain.

The Japanese group said the two companies were trying to reach an agreement under which Philips would manufacture Matsushita's flat-surface, large "Geo" picture tubes. The tubes are between 27 and 33 inches and have a nearly-flat surface. Issues such as quantity, timing, and sales of the tubes are still under discussion.

BTA campaign to woo tourists

A £2.4m advertising campaign to woo American tourists back to Britain is being launched in the US next year by the British Tourist Authority (BTA).

The campaign follows a 28 per cent slump in US visitors to the UK in the first half of this year. Mr William Davis, BTA chairman, said yesterday at the launch of the BTA's annual report that he expected "Americans to regain their enthusiasm for travel".

Theatres to honour tickets

London's Theatres will continue to honour tickets bought through Keith Prowse, the ticket agency now in receivership, beyond the original week-end deadline, but they want to be substantially reimbursed by the credit card companies.

This emerged after more than two hours of discussion between most of the 15 members of the Society of West End Theatres (Swet), representing producers, theatre owners and managers.

It also emerged that Keith Prowse owes £20m to £30m to creditors, including £9m owed to secured lenders.

Scots win ICI power contract

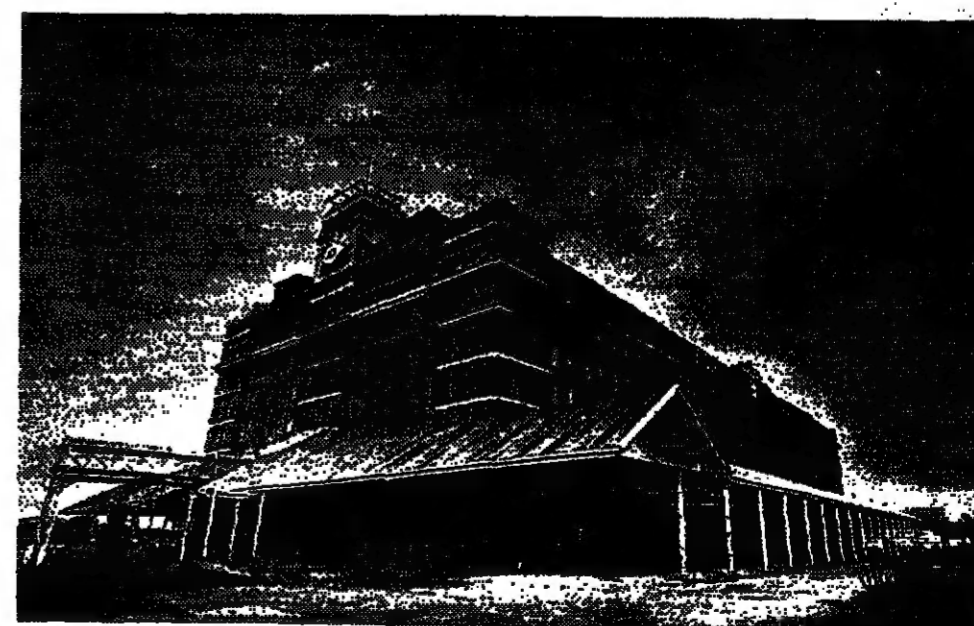
Scottish Power, one of the two Scottish electricity companies privatised earlier this year, has won a contract to supply ICI with electricity estimated to be worth around £20m.

The contract is to supply ICI's Teesside complex, which includes its Billingham, Wilton and North Tees sites in northern England, with close to 1,000 million megawatt hours of electricity.

Labour reviews benefits policy

Britain's social security system should be focused on helping individuals back to work - not on creating large-scale dependency on state welfare benefits, according to Mr Michael Meacher, Labour's social security spokesman.

A Labour government might rename the Department of Social Security "the Family Support Ministry" and extend its responsibilities to include advice on returning to work, Mr Meacher said.



Fort Dunlop, whose red brick bulk signifies Birmingham to the 46m cars which pass it each year on the M6, could be turned into what Farmac Properties and Richardson Developments call a "glass palace." The companies have applied to transform the building into a £100m office development. How the project will be financed is not clear.

TV operators agree cable link

The big cable television operators in London have agreed in principle to build a three mile link connecting the cable franchises in the capital. The link will reduce distribution costs, make available to advertisers an immediate base of 100,000 cable subscribers and open up new programme opportunities.

'Fame' school for London

Britain's first "Fame" school, inspired by New York's High School of Performing Arts, has opened in south London to give free training to the next generation of actors, dancers and musicians.

Government hails slowing rate of unemployment

By Rachel Johnson, Economics Staff

A SHARP slowdown in average earnings growth and the unemployment rate confirm that the recession is coming to an end, the government said yesterday. In spite of a rise in the jobless rate by 58,200 in August to over 2.4m, the average monthly increase to around 60,000 during the last quarter had dropped by nearly 30 per cent against the previous three months, Mr Michael Howard, the employment secretary pointed out.

Vacancies had risen for two successive months and this week's retail sales figures showed a pick-up in consumer spending. "Taken together, these figures confirm that the recession is coming to an end," he said.

In its quarterly distributive trades survey published yesterday, the Confederation of British Industry (CBI) the employers' organisation - said retailers' sales volumes were increasing. This underlined tentative signals that an economic recovery may have started, the CBI said.

Unions and the opposition Labour party contested the government's interpretation of the jobless figures, focusing on the fact that they had risen for 17 successive months and were expected to increase long after

any recovery got underway. Mr Tony Blair, Labour's employment spokesman, said: "After all the hype about recovery from government ministers, these appalling figures bring us back to reality with a bump."

Unemployment had risen by over 750,000 in a year, which increased the danger of creating a "vast pool of long-term unemployed whose prospects of future employment are very bleak indeed."

Meanwhile, earnings growth in June and July fell at its sharpest rate since the autumn of 1982. The underlying increase in the index of average earnings across the whole economy was 7.4 per cent in July, after 8 per cent in June. The index about 2 percentage points below its January level as rising unemployment and the fall in inflation have depressed wage settlements.

To coincide with the official data, the Public Finance Foundation, the research arm of the Chartered Institute of Public Finance and Accountancy, yesterday released the first monthly index of public sector pay. This showed pay in the public sector rose at an annual rate of 9.8 per cent in July, outstripping levels in the private sector.

Riots shake confidence in Tyneside local economy

Executives fear a flight of capital

By Ian Hamilton Fazey, Chris Tighe and Ralph Atkins

THE RIOTS in on Tyneside this week could lead to a flight of capital from problem areas, the chief executive of the area's chamber of commerce warned last night.

Mr Bob Tilmouth, chief executive of the Tyne and Wear Chamber of Commerce, warned that the disorder - which wrecked several buildings - must be curbed by stiff policing and sentencing. "Capital can strike. People eventually give up and go and the problem becomes worse and worse, it becomes a self-fulfilling prophecy."

Businessmen, meanwhile, yesterday condemned the rioting amid concerns that it could affect economic confidence in the region.

The unrest has raised speculation that Tyneside's many "problem area" initiatives, however high powered, energetic and well meaning, may be only scratching the surface.

Mr John Major, the Prime Minister, and Mr Kenneth Baker, the home secretary, portrayed the riots as the action of a small number of criminals which required firm police response.

Speaking on BBC radio, yesterday, Mr Baker said the incidents were "centred around car crime. It is a relatively small number of people who have got to be stopped."

Mr Alistair Balls, chief executive of the Tyne and Wear Development Corporation, said yesterday its policies had not failed and would prove themselves in time, and insisted that business confidence would survive the crisis.

"It will be impossible to assess the impact of this crisis until it is some months behind us, but I believe it will prove no more than a blip in general progress," he said.

The development corporation has spent about £100m since 1987 reclaiming more than 10 miles of derelict wasteland for a business park, industrial areas and housing and leisure developments.

But every site is hemmed against the river by run-down or deprived neighbourhoods, with typical unemployment rates of between 30 and 50 per cent. Mr Balls admits he is in a race between regeneration and urban decline, but does not accept that he has lost it as a result of the riots.

The riots in Newcastle have been near the riverside business park, the corporation's flagship project. Only a handful of about 800 jobs created in the park so far have gone to local people.

Race continues for union post

Nominations for the job of deputy general secretary of Britain's largest union, the TGWU, are due to close today and are expected to show that Mr Jack Adams, a Communist party member, has pulled well ahead of Mr Jack Dromey, a close ally of Mr Neil Kinnock, the Labour party leader.

Both the main candidates said they were optimistic about a final win. Mr Dromey - who currently holds the position of TGWU national secretary for the public sector - said he had attracted support from traditional left-wing regions including London and Scotland. Mr Adams said he was satisfied with the figures, particularly since nominations had to be made over the holiday period.

Road traffic on increase

Road traffic in the second quarter grew by four per cent from the previous year's level in spite of the recession, Transport Department said. Most of the growth came from cars.

THE PROPERTY MARKET

Cardiff's slow route to regeneration

By Vanessa Houlder

On a dull, wet day, the view of Cardiff Bay from the road above Penarth Haven is deeply unimpressive. Hundreds of slimy mudflats are surrounded by miles of semi-detached houses, the odd industrial shed.

Viewing the same scene through the eyes of the Cardiff Bay Development Corporation is a bewildering experience. Its glossy brochures have pictures of elegant quaysides, imaginative architecture, wild flowers, cheerful promenades.

The promotional material enthusiastically describes the proposed Opera House, an "interactive" science centre, public art, water sports, water-casinos, and a thriving, environmentally-conscious city. The bay, they say, will accommodate 30,000 new jobs.

The £2bn scheme covers some 2,700 acres of Cardiff's

docklands is only to the London Docklands as Europe's largest, ambitious and controversial urban renewal project.

But the differences between Cardiff Bay and the London Docklands regeneration are probably greater than the similarities. The economic boom, the sweeping regeneration given to the London Docklands Development Corporation and the minimal planning procedures meant that the London Docklands development went ahead at breakneck pace. By contrast, the Cardiff scheme is taking years to get off the ground.

Even the development corporation now talks about the project taking 15 to 20 years to be brought to fruition, rather than the 10 years that it was expected to take after it was established in 1987.

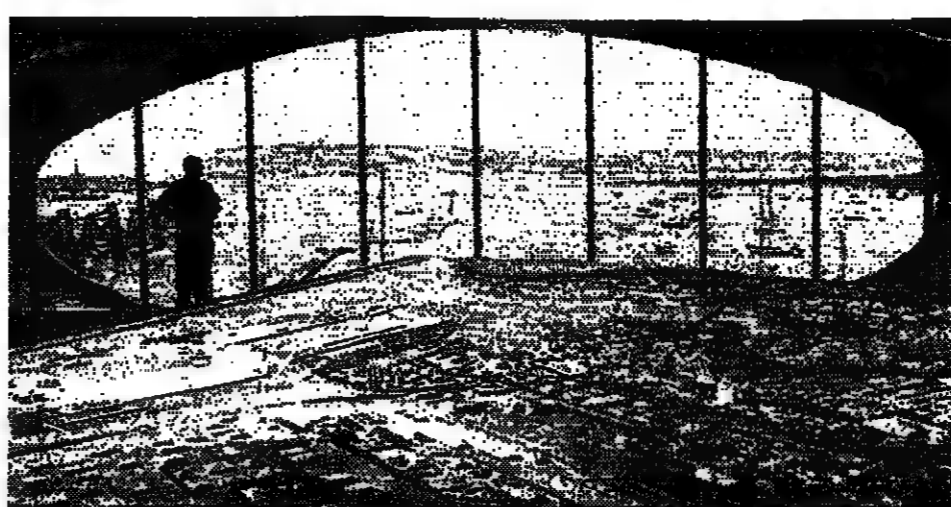
The slowdown is partly due to the recession which has hit Cardiff, albeit later than the rest of the country. But a more serious cause is the delay

in getting the go-ahead for a barrage to create a 500-acre freshwater lake, which the corporation think would attract developers rather than the existing mudflats.

Earlier this year, a locally-sponsored private parliamentary bill that proposed building the barrage was talked out by its opponents. The government announced that it would introduce the bill itself, but the measure ran out of time and so did not have a second reading before the summer recess.

Last week, the government confirmed that it intends to proceed with the bill in the autumn. Unless a general election is called, the bill will be introduced after the Queen's Speech in November. If, however, there is a change of government, the future of the barrage is uncertain. The Labour party does not have a stated policy on the proposals, but many of its members are vocal critics.

The barrage proposals have proved intensely controversial on several counts. Leading critics have been the Royal Society for the Protection of Birds, which wants to protect mudflats as an important bird habitat. "We suffer capital in Europe can be the spectacle of a wading bird feed-



Cardiff Bay present and overlooking the bay itself is a view of the £100m project

ing in the heart of the city," says Mr. Ian Prosser, director-general of the RSPB.

Other critics feel that the barrage's benefits are speculative. "There simply may be better things to spend our public money on in regional development for more effective and speculative job creation," says Mr. Rhodri Morgan, the Labour MP for Cardiff West.

But perhaps the greatest concern is the cost that the barrage will add to the water-cable and flood houses. The

government has promised further work into the effect of groundwater.

Although, the development corporation admits that the uncertainty delays affecting the barrage are frustrating, it puts a brave face on the prospects. "There is no depression about it," says a spokesman. "Don't think that because we are waiting for legislation, nothing is happening. A huge amount of work has been done in terms of preparing sites and scrutinising

plans."

However, the corporation has had to weigh up the options if the barrage does not get the green light. Some critics argue that the mudflats are undervalued and the closure of the barrage will not deter further investment.

The corporation, on the other hand, is less certain. The question of how far developers will be attracted to the area without the barrage is one that it hopes will come back to be tested.

Exploit lease terms for a lower rent

The property recession has been a mixed blessing for tenants. While footloose tenants can gain through falling rents and are confronted with a wide choice of empty buildings, many tenants with existing leases feel they are paying the odds, says Vanessa Houlder.

But occupiers may have more ammunition than they think, according to Baker Lorenz, the London-based surveyor. It argues that tenants would do far better to exploit quirks in the terms of their leases than to rely on conditions in the property market. It goes so far as to claim that the average rent paid by tenants is less than the market rent.

Baker Lorenz draws attention to the restrictive clauses that appear in many leases, which may bring down the rent by as much as 15 per cent. In a case at Chiswick, west London, a landlord wanted a 10 per cent increase in the December rent review, which would have brought the rent to nearly £100 per sq ft.

Baker Lorenz advised its client to exploit the terms of the original lease, which restricted the building to light industrial use. Under the 1988 Town and

Country Planning Act, industrial premises may be used as offices but a landlord can only charge a rent relating to an industrial use. As a result, the rent was fixed at just £4.68 a sq ft.

Another possible way of whittling down rent is to argue that environmental changes have had a detrimental effect on the area. Baker Lorenz is going to test this argument itself by claiming that the new London Transport Rail link on Hanover Square, where it is based, will significantly reduce the value of properties and hence their market rental.

Baker Lorenz also urges tenants to get their advisers to look carefully at the comparable evidence in the marketplace when it comes to negotiating a rent review. In addition to considering other rent reviews, lease renewals and market lettings, tenants can point to the trend which is likely to occur in the market place after the effective review date.

The theory of a rent review is to establish a rent which is a hypothetical tenant would pay in a hypothetical market in a "real" open market letting.

In the case carried out by Baker Lorenz in 1989, it got a 32 per cent saving on the landlords' asking rents.

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MANAGEMENT

Telecommunications equipment

New broom sweeps in a cultural revolution

Bernard Simon on Northern Telecom's plans to become a global company

For the second time in a decade, Northern Telecom is girding itself up for a thrust into enormously tempting but perilously uncertain territory.

The last time around, in the early 1980s, the Canadian-owned telecommunications equipment supplier won the industry's respect by storming south of the border to become a leading supplier of computerised telephone switches and transmission equipment to the US regional telephone companies.

That expansion, which saw the US contribution to sales rise from less than one-third in 1979 to 40 per cent in 1984, transformed Northern from a Canadian to a North American company.

It was up and running in the US, including a huge manufacturing complex in North Carolina. Americans started infiltrating the senior management ranks, and it was a financial success from Canadian to US dollars.

Now, Northern is climbing above the top league of the global telecommunications business. Its \$1.3bn acquisition of STC, the British electronic group, earlier this year, new ventures in Poland and Hungary, cellular phone ventures in Mexico, and new factories in the Far East are signs of obvious signs of broadening horizons.

Paul Stern, Northern's chairman and CEO, is giving the company a vigorous shake-up.

Frank Koelsch, partner of Trans-Atlantic Group, an international systems consultancy which has been Northern's main US agent, is leading the shake-up. Koelsch is really trying to generate a cultural revolution from a technology and engineering company into a marketing company, and from a Canadian-American company into a global company.

Stern, an opinionated American who took over the reins of Northern in March 1989, has the slightest idea that the latest foray will be enormously successful.

The jury is still out on the changes. But CEO is making the shake-up, and it is sweeping a wide broom through Northern since coming out of early 1990 to take control.

He spent two years as a consultant to a number of US and European

dations, following a spell as the first president of Unisys, the now-troubled US computer company.

The title of Stern's book, his career and management philosophy "Straight to the Top" gives a clue to his style. He emphasises that the well-being of his employees is his overriding concern. Stern also has a reputation as a hard-driving executive who knows exactly what he wants and is determined to get it.

"He rules with an iron fist and there's no question who's at the helm," says Koelsch. Stern has been known to walk out of an office if its occupant answers the phone while they are talking. He is also a stickler for punctuality.

Stern justifies his approach by noting "wherever I've worked, my organisations have won. Most people like to be with a winner, but to win is tough. You've got to drive."

He let it be known early on at Northern that he disapproved of the empire-building and backstabbing which was long a notorious feature of corporate culture. "I have no idea of understanding someone who rejoices in a colleague's failure," he says.

There's been a lot of talk about the criteria in setting senior managers' salaries and several layers have been cut from the management structure.

Several North American divisions are being closed or merged. There is duplication between production in the US and Canada. A growing share of Northern's products is likely to be produced from outside North America, especially the Far East. Stern predicts that by further squeezing costs, gross margins could climb by up to five percentage points over the next few years.

The new CEO has also brought in plenty of fresh blood, mostly from the US. The right-hand man, Ed Lucente, was in charge of IBM's World Wide Marketing. The new chief financial officer, Michael Mand, came from Du Pont. The vice president of communications, Larry Speakes, was President Ronald Reagan's press secretary.

Several senior executives, including Stern, now keep two offices, one at Northern's head office in the Toronto dormitory suburb of Mississauga, the other outside Washington DC.

Before Stern's arrival, Northern was organised in three main groups: Northern Telecom Canada, Northern Telecom US and Northern Telecom

World Trade. The US and Canadian units took responsibility not only for sales in North America, but also for the bulk of the company's manufacturing capacity.

NT World Trade was essentially an international marketing arm; as a result the overseas salesforce often found itself afterthought to North American product requirements.

A restructuring put in place in February is designed, says Stern, to "truly global thinking". Research, manufacturing and engineering have been taken out of the hands of regional managers. These activities are now handled by three new global product groups, each with its own president reporting to Stern.

The three groups cover public networks (cable, switching and transmission), private networks (office systems), and cellular and radio products.

Northern entered late in the cellular business, and is now working hard to catch up. The four geographic units, with responsibility for the US, Canada, Europe and the Far East, now report to marketing. What was once STC is now an integral part of the European group.

Now, says Stern, "the country managers in my Japan, Europe and the US are far apart in miles, the people there are worrying as much about him as about the others". He is searching for ways to encourage managers to think beyond their national boundaries.

Several teams, each comprising five senior executives, have been given "globalisation" projects. They include an examination of career development in a global context, manufacturing competitiveness, and the value of international staff meetings.

In each case, group members have been told to find out what Northern can learn from other companies, even those in different industries.

Ambitious though he is, Stern has drawn some firm boundaries on Northern's growth. He has no intention, for instance, of following AT&T and numerous other telecom companies into the computer industry.

Northern itself burnt its fingers in data processing ventures in the early 1980s. It plans to sell its 30 per cent interest in the British computer group ICL, which was acquired as part of the STC deal.

"As long as I am at Northern Tele-



Paul Stern: disapproved of empire-building and backstabbing

com, I promise we will not go into the computer business," he says. "All those who have tried it before have failed. The markets are different; the politics of marketing are different."

Northern has close links with a telephone operating company, its controlling shareholder, BCE, also owned by Canada, the country's most powerful telephone utility, which has played a key role in Northern's growth by channelling many of its juiciest orders to its sister company.

The two companies also share ownership of Bell-Northern Research, Canada's largest private R&D operation. But Stern insists that Northern and Bell deal with each other at arm's length and he says Northern will not acquire or willingly be acquired by a telephone operating company. "We have a practice of not competing with our customers," he asserts.

There are certainly some encouraging signs for Northern. Its sales outside North America, which made up only 10 per cent of total revenues before the STC deal, jumped by 45 per cent in 1990. Thanks to STC's contribution, BT (formerly British Telecom) is now Northern's second biggest cus-

tomers. Bell Canada is also an important break-through this summer in the German market, one of its prime targets, with its first sale of an intelligent network to the Bundespost. Sales of corporate PBXs in France have picked up significantly. It still seems early, however, to declare fully Stern's sunny disposition of the future.

Stern himself acknowledged when Northern published its second-quarter earnings in late July that world telecom markets are "extremely competitive".

While earnings climbed by 11.3 per cent in the three months to June 30, the increase was largely due to the inclusion for the first time of STC.

The global strategy is likely to increase rather than reduce the competitive pressures. Michael Arellano, senior analyst at Northern Telecom, a New York-based research firm, notes that some of the key targets targeted by Northern Telecom, such as Germany, are national suppliers.

"You're going to find a lot of political resistance in giving large amounts of business to foreign competitors," he says.

Making complexity more coherent

Simon Holberton on the failure of quality circles

British managers became aware of quality when they realised that the Japanese were killing them in the market place. As people they asked how the Japanese were doing it.

Some thought it had to do with the way Japanese companies organised shop floor work. They noticed that the Japanese had put shop floor workers together in teams called "Quality Circles" and British companies could not do it.

Stephen Hill, a reader in sociology at the London School of Economics, shows in a forthcoming study that there is another way of looking at the Japanese challenge who saw that responding in the Japanese challenge involved deeper thinking and organisational structure than simply adopting QCs - something more radical was needed.

Today this all-embracing management tool is called total quality management (TQM). Hill's study seeks to find why QCs failed in Britain in the 1980s and why TQM might work. His analysis of the failure is still in progress today; many companies want to change themselves, but their half-hearted and plays a failure to think through all the issues.

According to Hill, in the late 1970s and early 1980s British companies sought to solve two problems by introducing QCs: to improve employee relations; to reverse the uncompetitive nature of British manufacturing - ambitious aims.

"It was hoped [they] would increase job satisfaction, stimulate personal growth, lead people to identify more with the quality of their own work and the managerial objectives of higher quality and efficiency throughout the company, and so increase employees' sense of involvement in their firms."

His work with a number of UK companies which introduced QCs in the 1980s shows that, noble as those aims were, by the end of the decade they had failed to win over sceptical shop floor workers who had elected not to participate in circles, and that circles encountered quite vigorous opposition from middle managers.

The problem, Hill says, is less one of managerial atti-

tudes and culture than the inherent limitations of QCs and the way they were introduced. "In essence, circles disrupted managers' lives for small returns and created an organisational complexity that confused existing structures; middle management had no reason to make them work."

Hill calls this organisational complexity "dualism". QCs co-existed with the company's normal bureaucratic organisation and hierarchical authority. Thus middle managers found themselves in two structures; while their position in the hierarchy allocated responsibility to managers for overseeing circles it denied them authority over them. Membership of circles was voluntary and managers could not determine who joined them; circles determined their own agenda and were not obliged to heed managers' priorities.

The failure to overcome dualism and integrate QCs into their mainstream of managing was one of several reasons given by Hill's informants about the apparent lack of commitment to the programme by top managers. Others were: the absence of appraisal and rewards sanctions; and the poor calibre of circle "facilitators" - they were either too young or seen to have reached their career limit.

Some of Hill's subject companies moved from QCs to TQM as a result of their problems with QCs alone. He claims that TQM avoids the problem of dualism by integrating quality management into existing structures. But, an appropriate design was found to be more than just the right structures, systems and procedures. "The companies found that they had to contend with backsliding and less than full commitment among certain middle and senior managers."

Hill offers the proposition that "top management will increase the likelihood of a successful outcome to planned organisational change, in this case the cultural shift required by quality management, when it finds ways to align this with the self interest of individual managers". *British Journal of Industrial Relations*, vol 29, December 1991.

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Creditors are only entitled to vote if:

- they have delivered to me at the address shown below, no later than noon on 10 September 1991, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and
- they have been lodged with us any proof which the creditor intends to be used on his or her behalf.

Please note that the original proof signed by or on behalf of the creditor must be lodged at the address mentioned, photocopies (including typed copies) are not acceptable.

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NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above named company will be held at Cork Gully, Shetland House, 3 Noble Street, London EC2V 7DQ, on Monday, 7 October 1991, at 11.00 a.m. for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to advise the receivers concerned on creditors' committee by or under the Act.

Creditors are only entitled to vote if:

- they have delivered to me at Shetland House, 3 Noble Street, London, EC2V 7DQ, no later than 12 noon on Friday, 4 October 1991, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and
- there has been lodged with me any proof which the creditor intends to be used on his or her behalf.

Please note that the original proof signed by or on behalf of the creditor must be lodged at the address mentioned, photocopies (including typed copies) are not acceptable.

Dated 11th September 1991

CLUBS

RVS has advised others due to policy of RVS play and value for money Super from 10.30 am. Gloucestershire home, 10.30 am. 100 Pigeon St, W17 7TA 087

COMPANY NOTICES

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At a meeting of the Board of Directors held today, a quarterly dividend of sixteen cents (16c) Canadian per share on the outstanding Ordinary Shares was declared, payable on October 28, 1991, to holders of record as at the close of business on September 27, 1991.

BY ORDER OF THE BOARD,

D. J. DEGAN
VICE-PRESIDENT AND SECRETARY
INVESTALTA, September 9, 1991

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FINANCIAL TIMES

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Friday September 13 1991

The future of Europe

THE COLLAPSE of communism in the Soviet Union, entailing the virtual disappearance of the Soviet Union as such, is rightly described by the British prime minister yesterday as the most dramatic revolution of the 20th century. Coming on top of the withdrawal of Soviet power from east-central Europe, it transforms the environment in which the European Community has evolved. That does not mean that the EC's evolution should be arrested, still less reversed. It means that it has to rethink its priorities very carefully in the light of the new circumstances.

Looking east

AS SUGGESTED in Mr John Major's thoughtful speech yesterday, it is becoming a matter of some urgency for the EC to consider where it wishes to draw its eastern frontier. In this context, it is no good talking about a Europe "from the Atlantic to the Urals". That formula is useful in regulating the deployment of troops. But it is not helpful when it comes to defining membership of an interstate organisation, because the Urals are not a frontier between states, not even between Soviet republics.

Whatever parts the Soviet Union divides into, a Russian state will remain, with 10 per cent of its population and industry on one side of the Urals but most of its territory and natural resources on the other. This state will continue to be a potential if not an actual superpower, with an essential role to play in European security - comparable in this respect to the US which is also a European power by origin and culture. It stretches right across the continent. No sensible person in Europe wants to make an enemy of either. But the European Community must be something smaller and more closely integrated than a vast free trade area stretching from Vancouver to Vladivostok. It is an attempt by a small and middle-sized states of old Europe to get together so as to be able to deal with both the US and Russia (and Japan, and eventually China) on something like the equal terms. If either superpower became a member of it, all the other members would be dwarfed.

The question is how many of the countries in east-central Europe - the region between Germany and Russia - can be incorporated into a European Community friendly to, but separate from, Russia.

Potential members

It seems to have become generally accepted that those countries which were not part of the Soviet Union should be regarded as at least potential EC members. They were associated with Russia by force, not by choice, it would be wrong for western Europe to force them back into such an association against their will. Now the same logic is being applied to the Baltics, which are "a special case" because most EC members never recognised them as *de jure* part of the Soviet Union. It is true that they were part of the Russian empire before 1917, but then so were Poland and Finland. Their historic cultural links are with Germany and Scandinavia, and the Scandinavian countries feel a special responsibility for them. If Sweden and Finland join the EC, the chances are that they will bring the three Baltic states in their wake.

One must suppose that Moldova will be another special case, if its Romanian-speaking

majority shares the aspiration of reunion with its mother country, from which it was severed in 1918 as a result of the Russian Revolution. The Baltic states, which the EC would be wise to hold out long-term hopes of membership, are in any case not or Soviet republics.

To be so useful to an attempt to influence their choice in favour of separation from Russia, not only politically but economically. That would be neither in their interest or that of the rest of Europe, and the EC should not deeply resent any western European attempt to woo them away.

Ukrainian sovereignty This would be especially true in the case of Ukraine. Clearly Ukrainians want to assert their political sovereignty and this is now accepted and recognised by the Russians. But it seems unthinkable that Ukraine with its large Russian-speaking minority and its close economic and historical ties to Russia, could become part of an economic and political union centred on western Europe, from which Russia was excluded.

The problem of the Transcaucasian republics is rather different. They were incorporated into the Russian empire only during the 19th century. Association with them is not of such great emotional significance, and only of marginal economic importance, as most of the other members. But they are even further from Europe than Ukraine, and in recent times were not thought to be in Europe at all.

On the other hand, all three of them have common borders with Turkey, which has long been accepted as a European country and is a candidate for full EC membership. The problems involved in this candidature remain formidable, given the size and rate of growth of Turkey's population and the wide cultural and economic differences between it and the present EC members. Yet Turkey may well question whether these problems are really greater than those involved in expanding the Community to include east-central Europe and the Baltics, and the importance of Turkey to European security was highlighted by its role in the Gulf war. A positive attempt to overcome the issues facing Turkey from the EC is required, keeping its door open to full membership if they really can be overcome.

The integration of Europe's eastern end into the Community will certainly be a generation. But a positive commitment to include east-central Europe and the Baltics is necessary to create the climate of confidence in which the problems of the transition to democracy and market economics can be tackled.

Radical party

BRITAIN'S Liberal Democrats cannot hope to win the next election, but they must now be taken seriously as a party that offers a radical alternative to the programmes put forward by the Conservatives and Labour. That was made clear at the conference which ended in Bournemouth yesterday. It is a considerable achievement for a faction that, just three years ago, struggled to emerge from the rubble of the former alliance between the old Liberal party and the short-lived Social Democratic party.

Much of the credit must go to the party leader, Mr Paddy Ashdown. When he took office the Liberal Democrats stood at 5 per cent or less in the polls. They have since won important by-elections. They now have 10 MPs, 3,500 local councillors, and the support of upwards of 15 per cent of the voting public. At Bournemouth its members showed a sense of

purpose and self-discipline that was rarely seen in the old Liberal days. More to the point, they recognise the market as the driving force of the economy. They are working more transparently by extending competition. Their proposals on constitutional reform are aimed at dispersing power and introducing a more balanced system of government.

Not all is rosy, however. The party's social policies are still tainted by an apparent belief that public authorities are necessarily benevolent. Its European federalism, which out-Delors Delors, looks anachronistic at a time when looser forms of international union are coming to be preferred. Yet considered as a whole the party's stance is as unattractive as the old Liberal party would do well to take note.

Old Brussels hands have always had a sneaking regard for the Dutch handle European Community.

And this week the Netherlands, as present holder of the EC's rotating presidency, has moved its mettle on the vexed issue of European and monetary union (Emu).

A "technical paper" tabled by the Dutch presidency at the end of last month has brought uncertainties about the structure of the monetary and monetary union, but it seems also to have quickened the pace of negotiation.

While a casual observer might think the debate on Emu in recent days has generated more heat than light, important issues and taken some of the steam out of the open. "What we wanted at the moment was more than positions," said one Dutch finance ministry official after a meeting on Monday at the EC's technical Conference (IGC) on monetary union. "The Luxembourg paper presented the EC's Emu treaty during their presidency in the first half of this year and a very good job, but made their texts rather foggy. It seemed to be a little clearer."

The Dutch document has brought the debate on Emu back to the fundamental issues of the Community's progress towards monetary union on the strength of the increasing convergence of the member states' economic performance - the so-called bottom up approach - or whether there should be a "top-down" imposition of structures and deadlines. In a Community where agriculture is still accorded great importance, such concepts can be described in terms of horses and carts. The Dutch draft, representing an evolutionary plan, can be seen as one in which the horse has been put before the cart. Rival institutionalists, however, insist that the European Monetary System when it was set up in 1979 - are more redolent of the cart being put before the horse.

At a significant, the French have managed to produce a document on Emu that has even left the British government chuckling with amusement. This alone represents a remarkable achievement given that the EC has been set up in 1979 - are more redolent of the cart being put before the horse.

The draft of the Hague - although officially termed a non-paper, and seemingly discounted last Monday by Mr Wim Kok, the Netherlands finance minister, who is also current chairman of the monetary union IGC - has also been seen as a two or more speeds more explicitly than any previous EC document. "It was the first time that an EC paper had stated from the very beginning that there would be two groups," said an Italian official, making clear that future drafts will have to try to reconcile the two camps.

The Dutch document was roundly abused by the southern EC member states in Monday's meeting of the IGC and has attracted critical comments from countries that support it. The European Commission has also described some of its proposals as politically unacceptable.

But it probably represents an intellectual break in the debate over Emu. It could mark an end to the ascendancy of the concept of an institutionally driven union.

This "federal" approach - with its emphasis on the creation of a European central bank at an early stage of Emu and the setting of a strict timetable for achieving union - gained the upper hand from April 1989 after publication of the Delors report outlining a three-stage progression to Emu - from the present European Monetary System, through integration of monetary policies, to adoption of a European central bank and single currency. It probably reached its

zenith at the October 1990 European Summit in Rome when Mrs Thatcher was "ambushed" with an agreement which most member states chose to interpret as providing for the European central bank in stage two of monetary union from 1994.

The Dutch paper, by contrast, contains no firm date for the full or third stage of union and talks of a more embryonic European Monetary Institute for stage two of Emu, and a central bank for those countries which graduate to full union in stage three.

Above all, it stresses the importance of economic convergence among EC member states before they progress to Emu. For these reasons, it won Germany's outright support and backing from Britain in Monday's meeting.

New Dutch proposals on economic and monetary union have speeded up the talks, write Andrew Hill and Peter Norman

The horse is back before the cart



The paper stipulates that in the planned review of Emu's second transitional stage in 1996, member states should only qualify for the final third stage of union when they have met a series of strict conditions (see box). "Emu on a Community scale without first fulfilling the objective criteria (for union) is something which would be economically unsound," explained a Dutch official.

But the conditions caused a furor because they implied that Italy and Greece would not be able to join the union at the same time as the fiscally sound, low-inflation EC northern states. These indications of a "two-speed Europe" were borne out by a suggestion in the Dutch paper that a minimum of six EC countries could

start the union from 1996 with the others joining later. Although they were not named, it was clear that the six would be Germany, France, Denmark and the Benelux countries.

Despite the criticism, the Dutch paper is not destined for oblivion. The Netherlands is already preparing a formal draft treaty on Emu for submission before the end of next month. Belgium is taking some of the immediate pressure off the Dutch by preparing its own version of the text for discussion at an informal meeting of finance ministers in Apeldoorn, in the Netherlands, at the end of next week.

The Dutch are adamant that the weaker economies should "push for greater convergence with their stronger counterparts, but they have

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Proposed conditions for economic convergence

1. A high degree of price stability, apparent from a level of inflation close to that achieved by the member state with the best performance on prices.
2. A sustainable government financial position, which is apparent from budget deficits that are not deemed to be excessive.
3. Currency within a 2.25% fluctuation margin of the European Monetary Unit (ECU) exchange rate mechanism for at least two years without devaluation against any other member state's currency.
4. A close approximation of comparable interest rates relative to those member states with the best performance in terms of price stability.

Royal salute

There's nothing Britain's establishment likes better than putting on a pukka British show. So, as the Queen is by far the longest-serving Western monarch, next year's celebration of her 40 years on the throne is exactly right.

It is not a jubilee, so too much pomp and circumstance wouldn't do. Moreover, the little problem of the Queen's freedom from taxes means that asking the population to dip into its pockets via a massive money-raising appeal might strike the wrong chord.

Nevertheless, Corporate Britain will be expected to do its part and any cash left over after the various national and local events, will go towards something of "lasting benefit" to the country.

The celebrations are the idea of former media man turned venture capitalist Robin Gill, rather surprisingly.

He rates an entry in Who's Who. Thanks to him, the Royal Anniversary Trust has been established, Buckingham Palace has given approval, and the party political leaders have been asked to ensure the great and the good are available for public duty.

George Younger, who managed Mrs Thatcher's infamous final re-election campaign, is chairman, and Willie Whitelaw and Merlyn Rees will be expected to see the message gets through to the shires and inner cities. Barclays' Sir John Gillingham is in charge of fund raising, backed up by Lloyd's Bank's Sir Jeremy Morse.

Right, chaps. Get on parade!

Popping up

As expensive glossies like Business and Mirabella crumple in the recession, up pops the Modern Review, launched today as a highbrow paper of mass culture from Barthes to Bar Simpson.

It could even survive. Fresh-

OBSERVER

ion PR Lynne Franks and Peter Wallis, partner in wacky management consultancy SRU (alias Peter York, inventor of the Shogun Ranger) are principal shareholders. Editor is the youthful Toby Young, and Julie Burchill is director.

The business plan is a minimalist masterpiece. Staff work for free, the product is printed on cheap newspaper and distributed by Time Out.

Issue one certainly upholds the review's faith that popular culture makes history. There is an article on western rock music's role in the collapse of communism in the Soviet Union. It reveals that Boris Yeltsin listened to Presley's Are You Lonesome Tonight while walling up in the Russian parliament during the coup. Purveyors of such nuggets deserve to thrive.

Puffing Paddy

You'd never know it from the clean-cut public images emanating from the Liberal Democrats' conference in Bournemouth, but their leader Paddy Ashdown does have a vice. He smokes cigarettes. How embarrassing it is to his PR puffery is shown by the brusque removal of a man who was standing behind the party leader at one of his photocalls this week. The man is a veteran anti-smoking campaigner who knows the secret, and is determined to "out" it if given the chance.

Even so, Ashdown's addiction does not much enrich the big tobacco companies - or not directly, at least. "His favorite brand is other people's," confided an underling in a smoky seaside bar.

Conversion

Time was when Grant Baird, the Royal Bank of Scotland's investigating chief economist,



"I'm looking for a studio flat in a police no-go zone."

supported the Scottish National Party whose ambitions include a full-scale Scottish Embassy in Brussels. Now, his political ardour cooled, he is going there to head what is in effect a Scottish representative office.

It won't undermine the pukka representation UKREP, through which the government's Scottish Office will continue to deal. But with other regional areas of Europe opening offices in Brussels, the Scottish Enterprise development body is following the herd, and Baird has long since abandoned dreams of being the first governor of Scotland's central bank.

False economy

British rail-travellers wanting to feel their blood boil should watch the commercial break during The News At Ten tonight. Except in the TV's south-east region, it includes the first screening of the latest ad for InterCity train services. Like earlier Saatchi & Saatchi

oil productions for British Rail, the ad oozes sappiness from every pore. Against a backdrop of high-speed trains blurring in black silk and flying national flags, a voice tells us: "It's a fact that, here in Britain, with the launch of the new InterCity 225, we have more trains going south than north than any country in Europe. Just thought you ought to know."

No, we oughtn't. Translate 100mph into Continental speeds and it becomes 160 km/h, an arbitrary cut-off which just happens to favour BR.

Almost any other cut-off, higher or lower, would have put other countries in the lead. The ad also insinuates that Britain has Europe's fastest trains. False - while a lot of BR's trains may occasionally touch 100mph, none of them compares with France's TGV or the German IC Express, either for top or average speeds.

It is an expensive way of economising with the truth. Can't somebody stop BR from publicly presenting itself until it can honestly advertise what travellers really want: trains that turn up in the first place and get them where they want to go on time?

Ascot gamble

With little more than a fortnight to go before the biggest event in British racing - the Breda Walker Festival at Ascot - the organisers are exhibiting remarkable sangfroid. With the chief sponsor teetering on the edge of receivership there is a chance that some of the winners of the \$1m prize money may have to take their place in the queue with the rest of BR's creditors.

The festival will go on regardless insists Nick Clarke of the International Racing Bureau. The nice Lord Kinross, rather than the rough George Walker, promises that he will be presenting the trophies whatever happens. The prize money may be another matter.

PROBLEMS WITH WORLD CUP RUGBY? • THOMAS PACE • CAN HELP II

The Problem: Keith Prowse going into receivership has left many companies not knowing where they stand with the hospitality and tickets they have bought.

The Statement: The Rugby Football Union has now guaranteed that all bookings placed through Keith Prowse will receive the tickets. The hospitality, however, remains a problem.

The Solution: Thomas Pace can help by offering hospitality only packages at Twickenham, Murrayfield and at their officially recognised Cardiff site.

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There is now plenty of evidence to suggest that the east German economy is close to reaching the end of its two-year free-fall. Far riskier to predict is when it will bounce back with sustained growth.

The good news first. A growing number of politicians and economists in west Germany are "calling the turn" based on the stabilisation of unemployment, industrial order and industrial production indicators, and forecasts of 10 to 15 per cent growth in the construction, trade and transport sectors next year.

Some of those indicators are not very reliable. Industrial production was 5.4 per cent higher in June than in May (although still 37 per cent lower than the third quarter of last year), but a 10 per cent increase in industrial orders in June is distorted by a clutch from the Soviet Union, and unemployment is hidden by short-time working and the growth of make-work and training schemes, many of dubious worth.

The number of genuine full-time jobs in east Germany is likely to be no higher than 4.5m at the end of this year compared with 9m at the end of 1989 and the ILO economic institute calculates that during the same period the annual

The jobless have a living standard closer to those in west Germany than any other east German group

hours worked will have dropped from 4.5bn to 4bn.

But as Mr Kurt Biedenkopf, the prime minister of Saxony, points out, east Germany is adjusting from a labour market participation rate of 90 per cent of the adult population to something closer to the west German level of 65 per cent. He adds that people in east Germany have, contrary to some fears, mostly accepted the need for temporary unemployment levels of about 30 per cent (including short-time working) and quotes poll evidence which shows there is now a much higher level of optimism about the future in east Germany than in west Germany. In its own state of Saxony, 70 per cent are optimistic about the future. In east Germany as a whole, the figure is 62 per cent, compared with only 48 per cent in west Germany, according to the latest Allensbach polling organisation's findings.

Thanks to the huge transfer payments this year (about

Stirrings of life in the east

David Goodhart and Andrew Fisher on the difficult economic transition still faced by east Germans

DM150bn - 20% of the east German economy even most of the east German unemployed are better off than they used to be when working. Indeed, the unemployed have a standard of living closer to their west German counterparts than any other group in east Germany.

That may not prevent some ugly scenes this winter as rising rents and prices start to pinch and more closures in problem sectors such as chemicals, shipbuilding and electronics push unemployment over 1.5m. (The increase in unemployment in July, after a one-year job security agreement in the engineering industry ran out, was smaller than expected but mainly because of the rise in job creation schemes.)

Nevertheless, as anyone who has recently visited east Germany's scaffolding-shrouded towns can attest, there is at least a palpable feeling that reconstruction is now under way. That was scarcely the case six months ago. It is also a great deal easier to telephone into and out of east Germany than it was six months ago, which is helping to erode east Germany's sense of separation.

However Mr Carl Hahn, head of Volkswagen, sounds a note of caution. "We realised earlier this year that the pessimism was exaggerated but I think the optimism is now also exaggerated and there are still two difficult years of transition ahead."

The caution is shared by the offices of the Treuhand privatisation agency in Chemnitz, Leipzig and Frankfurt am Oder, all of which report signs of recovery only in construction and the retail trade. Mr Wolfram Hoesche, head of the Chemnitz chamber of commerce, says the bottom will not be reached until early next year. The Chemnitz-based textile industry, which has almost hit bottom - but still only one quarter of its output of 1989.

There is the problem. Even if the optimistic forecast of 10 per cent growth in gross national product next year is achieved, east Germany's GNP at the start of 1993 will still be nearly 25 per cent below its



East Berliners queue up at an unemployment office - but Saxony's prime minister Kurt Biedenkopf, inset, says most east Germans accept need for a temporary 30 per cent jobless level

position. Also, although east Germany's exports are making a recovery, its imports are still rising. The region will run a current account deficit of DM10bn this year. Total imports of goods and services will be DM150bn, compared with DM190bn, compared with DM187bn of imports in GNP of DM218bn.

East Germany will continue to produce very little of what it consumes, and remain completely dependent on the west for several years, according to Mr Heiner Flassbeck of the DIW institute in Berlin. "That means any weakening in the west will spill over into the east," he warns.

Mr Kurt Kasch, head of the Deutsche Bank in west Berlin, says the east German construction and retail trade

is now being ploughed into investment - DM65bn this year - as well as consumption in east Germany. Mr Biedenkopf reckons that with growth of 7 to 10 per cent a year per capita gross domestic product in east Germany will reach 65 per cent to 70 per cent of the west German level by the end of the decade. "As long as people see things steadily improving they will not worry so much about being equal with the west. People can be dissatisfied if they are stagnating at high living standards and satisfied if they are poorer but improving," he says.

"Things in east Germany are as not bad as some people assumed but they are also not as good as some people are now hoping in Bonn and Frankfurt," concludes Mr Kasch.

Mr Kasch says there is a dispute within the Treuhand between those who want privatisation above all and those who want to maximise more resources on restructuring companies which cannot be sold quickly.

The Treuhand is planning to spend about DM12bn on restructuring this year. But some observers complain that although the company holding department at the Treuhand wants to keep as many of its changes as possible, it cannot get the money from the state department to invest in them.

'People can be dissatisfied if they are stagnating at high standards and satisfied if poorer but improving'

"About one-third of all companies will be liquidated because of lack of investment," estimates one insider.

At least one German source is now being ploughed into investment - DM65bn this year - as well as consumption in east Germany. Mr Biedenkopf reckons that with growth of 7 to 10 per cent a year per capita gross domestic product in east Germany will reach 65 per cent to 70 per cent of the west German level by the end of the decade. "As long as people see things steadily improving they will not worry so much about being equal with the west. People can be dissatisfied if they are stagnating at high living standards and satisfied if they are poorer but improving," he says.

Programmes that accept or encourage ownership of industrial and services belong to the left of ideology. So do analyses based on the inevitability of class conflict, although class conflict is not recognised during the 1990s. They were generally accepted after the eastern European regimes were toppled in 1989. The events of August 1991 have put the final seal on the process.

Finally, all political movements are suddenly alone. That it would be wrong for

Joe Rogaly After socialism



None of us really understands the politics in the absence of socialism. This is hardly surprising. We have had no practice. From its spiritual home in the east, the ghost of socialism has always glowered at us. Since the revolution of 1917, the spectre of a communist Soviet Union has been a part of the western political imagination. In Europe, the presence of communist or socialist parties has been taken for granted for the past century.

Most social parties are irrelevant. The failure of a French government based on an alliance between socialists and a dwindling communist party is questionable. President Francois Mitterrand was squirming in his seat on Wednesday. He had to allow for the privatisation of minority shareholdings in enterprises - the French had nationalised. The British Labour party is increasingly embarrassed by the use of the word "socialism", but it is a reminder of its past policy of state ownership. Even socialist forces likely to vote for the Social Democrats.

The left has no protest from mixing referendums in socialism, communism and totalitarianism in the way to progress - that there is no link between, say, western European socialists and the East Communist party of the Soviet Union. The story that another Stalin or Lenin came to the ground through subconscious of the thought of Marx, common to all parties of the left, is snapped.

Programmes that accept or encourage ownership of industrial and services belong to the left of ideology. So do analyses based on the inevitability of class conflict, although class conflict is not recognised during the 1990s. They were generally accepted after the eastern European regimes were toppled in 1989. The events of August 1991 have put the final seal on the process.

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Marxist thinking as the conclusion of the process of political struggle. With capitalism triumphant, not to mention the barons of the large companies. In some countries they have politicians on their payroll. Americans are aware of this. Socialist parties never made much headway in the US, but a prime motivator of the Democratic party has always been distrust in big business. Some continental Europeans do understand the point. The German model, which incorporates powerful trade unions as "social partners", is evidence of that.

Britain is different. For most of the 1960s and 1970s capital was in mortal peril of Labour. The Tories have been turned. The unions are ciphers, trampled in the wake of Thatcherism. Considering their behaviour when they were on top, I view this with satisfaction. No one per-

If power is spread, the abuse of it cannot be absolute, or uniform

son or institution should have untrammelled power. I would not trust my future to any of Britain's leading companies acting without restraint. It should be a Tory party in permanent power, and not a Labour party, whoever happens to be in power. I would not trust a Tory party to act without restraint. It should be a Labour party in permanent power, whoever happens to be in power. I would not trust a Tory party to act without restraint. It should be a Labour party in permanent power, whoever happens to be in power.

Leaving aside a strong union movement, the only countervailing force of regulation, trust-busting, competition, a powerful, punctilious rule of law and a constitution that keeps government in the place and pro-

vides redress when it overreaches itself. These are the very forces that Americans look to to protect them from the excesses or ill-effects of politicians, or managers for whom temptation has been strong. This is not to say that the system works perfectly. Big business may be steadily gaining ground. The frequency of reported scandals seems to be increasing. But the rule of law is the only tolerable system yet invented.

In Britain our post-socialist politicians must address themselves to the imbalances inherent in the business-political complex. This is what the Liberal Democrats have attempted in their remarkably successful conference in Bournemouth this week. Their allegiance to a clean market economy puts the Tories to shame. They would, for example, break up British Telecom. "We are determined to attack the monopolies, whether they are private or public," said Mr Paddy Ashdown, party leader, yesterday. "We would increase competition in the banking sector... and we would introduce a new restrictive practices act."

These proposals for constitutional reform are the same purpose. The aim is familiar. It includes decentralisation of power to Scotland, the regions and local authorities; electoral reform; an independent Bank of England; a bill of rights; freedom of information; and so on. If power is spread, its abuse cannot be absolute, or uniform. If government is transparent, so much the better.

Mr Bill Wilson, the party's campaign manager, argued forcefully on Wednesday that corruption is already embedded in British politics/business. If we do not hedge with English politicians, we will have a disaster within minutes and boardrooms. But the danger is real. The prime minister knows, or should know, the proper response. "The world is moving," he said in the House of Commons yesterday. "Towards more decentralised, more accountable structures." He was speaking of the European Community. He would do well to apply the same principle to the United Kingdom and Ireland.

LETTERS

Privatise the M62, then the M1

From Mr Brian Shenton.
While it may be a bit late for looking at additional routes across the Pennines ("Transport plan for NW urged", September 5), the need for change to the M62 must not be overlooked. It is a cultural shock to return to the M62 after several hundred miles on French autoroutes.

The M62 is a boring, uninteresting, dangerous and poorly managed highway which cries out for an injection of continental flair, imagination and experienced management.

The brown tourist information signs, pioneered in France, are slowly appearing on our roads. Yet the M62 remains 100 per cent blue. The introduction of the brown tourist signs would do wonders for the motorist. The French are able to explain rivers, viaducts, and canals to the traveller. Why should we not be told that the cricket pitch which perches on the edge of the Pennines is the highest in the world? The French also provide rest areas and have improved safety and traffic discipline. On steep inclines heavy goods vehicles are not allowed to pull out, spending five minutes to inch past another in the slow lane - all at 40mph and slowing. Going down the incline, drivers towing caravans are kept to a speed limit.

None of these innovations will be tried whilst the M62 is nationalised and run by the Department of Transport and several government agencies. The French, and indeed the Italians, have a different structure using a single company for management.

Let the government set up the Trans Pennine Motorway plc and give it the contract to operate the M62. The private sector has had to bring in European partners for the private road in the Midlands because they have no experience of operating highways. Now is the chance to give the private sector that experience. Success with the M62 could lead to the privatisation of the M1. Now that would be an achievement.
Brian Shenton,
Brian Shenton Associates,
1 Thorold Nest Drive,
Harrogate, HG2 9PB.

Give the unemployed long-term subsidies

From Mr David Layard.
Sir, Richard Layard and John Philpott repeat the conventional wisdom that "unemployment is the price we pay for controlling inflation" ("A 12-month turnaround for the unemployed", September 11). It is not, it is the price the unemployed pay (now renamed the underclass).

Layard and Philpott's answer relies heavily on "high-quality training leading to recognised qualifications". But we all jump on the training bandwagon, perhaps we should ask to what extent training independent of the workplace actually increases an individual's ability to do a job. I remain highly sceptical of the trainers' claims.

There suggestion is a subsidy to employers for taking on

an unemployed person for some months if they do not find a job in the labour market. But some employers are already using similar schemes as long-term labour retention by sacking employees after the subsidised period has ceased and taking on new employees and new subsidies.

Why not confront the problem head on? At a given time, there will be people who are not legally earn enough to have a standard of living of giving them life skills classes or paying them to work, or at least to what extent training independent of the workplace actually increases an individual's ability to do a job. I remain highly sceptical of the trainers' claims.

Don't weed out experienced staff

From Mr Pat Wilson.
Sir, I can appreciate the need for companies to weed out the old guard in this recessionary climate, but I do question the wisdom of offering early retirement to people who have an abundance of experience and years of loyal service. What will happen when the upturn comes? Will the

inexperienced staff be able to cope with the pressure of hard work? There is a danger that the market place, but I don't think that anything replaces the wisdom of experience.
Pat Wilson,
35 Crossingham Grove,
Sutton, Surrey SM1 4EW

IoD survey sample too small

From Mr Robert Worcester.
Sir, Dr Ann Robinson (September 11), defending the Institute of Directors survey of business opinions, digs in deeper when she says that their sample of 320 is "as valid as any of the major surveys of voting intentions where 3,000 respondents are contacted".

In fact, the confidence interval of a sample of about 300 is plus or minus 5 per cent - based on a random sample - a 1,000 sample would be plus or minus 3 per cent, and a 2,000 sample (as in the monthly Mori survey for The Sunday Times) plus or minus 2 per cent. The IoD sample may be as systematic but, given the size, it cannot be as statistically reliable.
Robert M Worcester,
chairman, Mori,
32 Old Queen Street,
London SW1H 9EP.

From Mr David H. Johnson.
Sir, Dr Ann Robinson's defence of the Institute of Directors survey is a bit out of the box. The Institute of Directors cannot go unchallenged. It is no good polling a small, totally self-selected group, even at random, and attempting to use the results as a larger universe.

The IoD has 10,000 UK members, but only 15m businesses registered for VAT. To make the comparison with surveys of voting intentions is illogical conclusion. It is rather like polling the Liberal (or, in the case of the IoD, the Conservative) to predict the election.

Alas, as Disraeli said, there are lies, damned lies, and statistics.
Derek H Broome,
Potters' End, Mears Ashby,
Northampton NN6 0DZ.

Pay central to full employment

From Mr Mark Corney.
Sir, I am afraid Richard Layard and John Philpott have put the cart before the horse in "A 12-month turnaround for the unemployed" (11 September).

Their programme to help unemployed people cannot be sustained with the economy in a low level of demand throughout the 1990s. Equally, we cannot even countenance a new contract between the state and the citizen until and unless one of Beveridge's preconditions has been met - the achievement of full employment.

Indeed, even when full employment is achieved, a new framework of rights and obligations between state and citizen must in turn be conditional upon the quality of the job and training opportunities on offer and the level of training and training of the unemployed people.

Inexplicably, Layard and Philpott fail to remind readers that co-ordinated pay bargaining is the linchpin to employment policies in both Sweden and Germany.

Instead of tucking away their references to co-ordinated pay bargaining, they should have made this the precondition for their programme.

As Mr Robinson and I argued in the same column on September 3 ("Time to make a deal on co-ordinated pay bargaining") to attain full employment - defined, say, as less than 7 per cent unemployed people out of work - we need the economy moving on a sustainable non-inflationary basis.

As it stands, the Layard and Philpott article perpetuates the myth that full employment in the UK has more to do with scheme-building, rather than with a better functioning economy.
Mark Corney,
research officer,
Campaign for Work,
Amex B,
Tottenham Town Hall,
London N15 4RX

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Norsk Data slides into NKr257m loss

ND Germany plunged into a half-year pre-tax loss of Nkr64m but no comparative figures were given.

ND Germany, which is the company's main profit centres, will concentrate on increasing market share in the mechanical industry, library and building industry. Efforts will also intensify the search for industrial partners in Germany.

Hillsdown last year put all its other North American operations under Mr Newton's control in Toronto.

Nomura and deals

The Bank pays underwriting fees of about 0.25 per cent for a five-year bond offering. On this basis the syndicate of banks handling the issue would share fees of \$3.75m according to **INRA** underwriting committee.



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INTERNATIONAL COMPANIES AND FINANCE

Neste bid puts DTI under pressure

By Roland Rudd in London and Enrique Tessieri in Helsinki

THE UK government's attempt to control the acquisition of British companies by foreign groups was under renewed pressure yesterday by a recommended offer by Neste, the Finnish state-owned oil and gas company, for Sovereign Oil and Gas, the UK independent oil company.

Sovereign said it was recommending a bid of 150p per Sovereign share, valuing the company at \$84.3m (\$142.5m).

Sovereign's shares rose 41p to close at 146p.

Mr Peter Lilley, trade and industry secretary, said yesterday that he would not allow Britain's policy of privatisation to be undermined by "a takeover by a foreign state".

The DTI yesterday said that Mr Lilley after receiving advice from the Office of Fair Trading, would look at the merits of foreign state control before deciding whether to refer the bid to the

Monopolies and Mergers Commission.

Mr Peter Young, vice-president of Neste, said: "We are obviously attracted to the Lilley doctrine, and we can be completely sure that the deal will be allowed through."

However, Mr Young said he hoped Mr Lilley would take into account the fact that Sovereign, which was a small player in the North Sea, had recommended the bid to its own shareholders.

Earlier this year, the proposed acquisition of ICI Fertilisers by Kemira, the Finnish state-owned chemical company, was stopped by Mr Lilley, following a Monopolies Commission decision that the purchase raised significant competition issues.

Neste agreed bid represents a 100 per cent increase on Sovereign's share price of 103p on Wednesday. Neste already has a 10 per cent stake in Sovereign.

Neste's bid to acquire Sovereign is expected to raise the company's in-house oil production from 100,000 tonnes to over 1m tonnes. Neste hopes to raise this even further by the mid-90s, to between 1m and 1.5m tonnes, or one-third of the total input of the two refineries in Finland.

Meanwhile, the present centre-right government gave the go-ahead last Tuesday for the implementation of Finland's largest privatisation plan. Neste will be the first state-owned company to be put up for partial privatisation, next in the spring of 1992.

The Finnish state, which currently controls 100 per cent of Neste, Finland's largest company, is only willing to relinquish a 15 to 20 per cent stake in the company. It hopes to gain between \$1.5bn and \$2bn from the sale.

Over the past 10 years Neste has expanded internationally: it currently has stakes in 10

countries in over 20 countries. For the year ended December 1990, Neste reported taxable profits of Fm2.6bn and sales of Fm10.5bn.

Neste is also involved in the exploration and production of oil in the Norwegian sector of the North Sea. Last year it acquired Atlantic Richfield's wholly-owned Norwegian subsidiary, Arco Norge.

Arco Norge has numerous oil fields in the North Sea, including stakes in the Edda and Heidrun fields, which are expected to come on stream in 1994 and 1995 respectively.

Neste has also gained exploration licences in Algeria, Syria, Turkey, Portugal and is involved in oil production in the United Arab Emirates and the UK.

Sovereign's principle business is to buy oil from the North Sea. Since 1980 it has built up a portfolio of oil and gas interests, including the first fields and the Victor Oil Field.

Troubles deepen at Siemens venture

By Christopher Perkins in Bonn

THIS YEAR'S results at Siemens-Nixdorf will be severely affected by integration costs of around DM1.5bn (\$287.3m), the German computer giant admitted yesterday. However, it added in comment on reports that it was also heading for a 1992 operational loss, that claims that it was over orders were improving.

"After overcoming initial start-up difficulties, Siemens-Nixdorf has continued to improve its sales month-on-month," the company said. At the same time, however, the 17 per cent drop in the previous year, but by the end of August sales were up by only 8 per cent behind the comparable figure for 1990.

New orders at the end of the year were 5 per cent up on the previous year, it said.

It was responding to a gloomy report in Wirtschaftswoche, the business weekly magazine, which also said that the company was in a "critical situation".

The magazine said Siemens-Nixdorf might be in the German equivalent of SAP. The company's financial results were "disappointing", it said.

Analysts said, however, that operating losses of almost DM500m were "manageable" in the light of the DM1.5bn loss reported for the first six months of the year.

The company has lost the going hard since it was formed in January 1990, when Siemens took over Nixdorf to save it from collapse. It has struggled for longer - and at greater expense - than expected to integrate the two businesses, while at the same time coping with recession and intense competition in the computer market.

Nine months ago, Mr Karl-Hermann Hartmann, finance director, said he hoped Siemens-Nixdorf would break even this year after an operating loss of DM400m in 1990.

In March, the company admitted that a break-even point would not be reached this year.

Restructuring charge will push Colgate into the red

By Martin Dickson in New York

COLGATE-Palmolive, the US household products giant which has been extensively restructured in recent years, yesterday announced plans to charge \$1.5bn into the red for the third quarter.

The move will mean an after-tax charge of \$1.5bn and push it into the red for the third quarter.

Mr Mark, chairman of the second largest US household products group, said the restructuring would allow the company to capitalise on the European Community's move to a single market and the free trade area between the US and Canada.

It would also enable it to launch more sophisticated and advanced manufacturing techniques and research opportunities created by several major acquisitions around the world.

Mr Mark, chairman for the past six years, has been widely

praised for turning it from a sleepy, inefficient business into one with annual earnings per share increasing averaging 17 per cent.

The driving force behind this has been an improvement in profit margins by consolidating manufacturing and distribution, investment in plants and sales of peripheral activities.

The company said the round of restructuring was designed to ensure the growth momentum continues and its 1991-95 profit goals are reached or exceeded. Savings from the reshaping would help finance new product launches and other initiatives.

The company did not make the loss of the third-quarter loss, but in the same period of last year it made a profit of \$1.20 a share. The \$243m charge will work through to \$1.31 per share.

In the first half of this year it reported a loss of \$1.17 or \$1.17 a share, up 11 per cent,

on sales of \$3bn. Mr Mark said yesterday that the outlook for the rest of 1991 was positive. The company said the plan for rationalisation would be carried out over the next three years and would mainly affect Europe, North America and the South Pacific.

The plans included the transfer of Canadian production of powder detergents, liquid detergents and bar soap to the US, although the company would continue to produce high volume household and personal care products in Canada.

It would also be a plant at Quebec, in Portugal, and integrating its facilities with its recently acquired assets, which more than doubled Colgate-Palmolive's presence in the country.

The company would be closing its manufacturing complex at Liege in Belgium and rationalising various Australian operations.

Sweden postpones TV vote

By Robert Taylor in Stockholm

THE SWEDISH government decided last Wednesday to postpone the decision over whether to allow the country's first terrestrial commercial television channel until after Sunday's general election.

Earlier, a parliamentary committee gave its approval to Kinnevik, the television company owned by Mr Jan Carlzon, to run the new channel. At present, it is responsible for the Swedish satellite commercial channel TV3.

The decision, however, attracted immediate criticism for being taken on narrow party lines only four days before the general election. It is a result of the upsurge, the government agreed to a decision.

The rival TV4 company, controlled by the Wallenberg finance company Patricia, the Swedish white-collar pension fund (FPA), and the farmers cooperative LRF, still has a chance of being involved.

Statoil takes east German stake

By Karen Powell in Oslo

STATOIL, the Norwegian state-owned oil company, has bought a 5 per cent stake in the East German gas company, the NKZ 1955m (\$28.4m).

The Leipzig-based company owns and operates 8,300 kilometres of gas transportation pipelines and storage facilities, and employs a staff of 1,700. It buys natural gas and sells it directly to commercial end-users as well as transporting gas to end-users.

Mr Robert Jensen, a spokesman for Statoil, said although consumption of primary energy in the part of Germany where the company operated had recently decreased, Statoil was confident it would increase towards the end of the century, after a restructuring in the East German industry.

"The Leipzig-based (the German privatisation agency) offered us the stake in January. We consider this a very good business opportunity for Statoil's gas business," he said.

Statoil is one of Europe's biggest gas producers and suppliers. Total gas sales in 1990 reached 3.1bn cubic metres.

The company also owns the Norwegian Gas Negotiating Corporation (GNO), which negotiates and sells gas on behalf of Norway. Last year, total Norwegian gas sales reached 25bn cubic metres.

In 1990, the Statoil natural gas business had an operating profit of Nkr1.5bn.

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In 1990, the Statoil natural gas business had an operating profit of Nkr1.5bn.

US consultancy group buys Indeco

ALEXANDER Proudfoot, the US consultancy firm, has bought Indeco, Sweden's leading consultancy concern. The deal ends a year-long search by Indeco to find an international parent company after its proposed merger with Bain & Co collapsed last year, wrote John Burton in Stockholm.

The failure of the Bain merger caused financial problems for Indeco's 70 partners, who had staged a SEK305m (\$49.4m) buy-out

of the firm as a step toward transferring ownership to the US.

The resulting debt burden forced Indeco's owners to file for bankruptcy protection earlier this year, and seek a new buyer.

"As a result of the agreement, we have achieved our goal of gaining a big international market for Indeco while finding a financially and professionally strong owner," said Mr Ulf

Rubendick, Indeco president.

Indeco, which claims a fifth of the Swedish management consultancy market, will change its name to Indeco Proudfoot Scandinavia. Proudfoot already operates in more than 30 countries.

The Nordic consultancy sector has been hit by the recession, and analysts had predicted that international firms would take advantage of the situation to strengthen their position in the Nordic market.

Recovery in non-life sector helps lift Fortis to Ecu177m

By Andrew Hill in Brussels

FORTIS, the Dutch-Belgian financial services group, ended last year through a recovery in the non-life insurance business, pushed up profits by nearly 11 per cent to Ecu177m (\$243m) after last year's first half of 1991, against Fortis in the equivalent period.

The group said it was now in a position to issue a full-year profit forecast in this stage, because of the difficulty of predicting profits from gains on investments. However, it expected profit for 1991 to be in line with the 1990 level, and result for 1990, barring exchange-rate fluctuations and other circumstances.

Groupe AG, Belgium's largest insurance company, and Amey, the third largest Dutch insurer, formally merged in December, creating Europe's 12th largest insurer with 100,000 employees, mainly in Europe and the US. Each company

took on a 50 per cent stake in Fortis, and they retained their separate stock market listings.

Total income for Fortis rose from Ecu3.24bn to Ecu3.59bn in the first half, and operating profits rose nearly 15 per cent to Ecu153m (\$214m).

Fortis said yesterday the results had been affected by a technical recovery in the non-life sector, excluding accident and health insurance.

In the first six months of 1990, the non-life sector lost Ecu1.1bn following the severe storms across western Europe.

Most of the recovery of the recovery from last year's losses was taken in the first quarter of 1991, when Fortis announced a 31 per cent non-life loss recovering from Ecu27m to Ecu1.1bn.

Banking sector profits improved in the first half, mainly because of higher interest margins in the Nether-

lands. The group's profit in banking activities from Ecu16.3m to Ecu22m.

Non-life lost Ecu7.1m in the six months to June 1991, partly due to disappointingly poor results from the UK non-life operations and a decline in life and motor insurance business. Fortis said that if the storm losses were excluded from the 1990 results, the group's performance had deteriorated in the first half.

The group had life insurance operations in the UK had also suffered in an "unsatisfactory" performance in the first half, but better results in the Netherlands and the US had improved the overall profit in life insurance activities from Ecu56.2m to Ecu62.4m.

Accident and health insurance also improved, returning profits of Ecu6.4m (Ecu21.7m), an increase of 8 per cent.

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The "Shell" Transport and Trading Company, Public Limited Company

Interim dividend 1991

Notice is hereby given that a balance of the Register will be struck on Thursday, 3rd October, 1991 for the preparation of a statement for an Interim dividend for the year 1991 at 8.9p per 25p Ordinary share payable on 7th November, 1991.

For transferees to receive this dividend, their transfers must be lodged with the Company's Registrar - Lloyds Bank Plc, Registrar's Department, Goring-by-Sea, Worthing, Sussex BN12 6DA, not later than 3pm on 3rd October, 1991.

SHARE WARRANTS TO BEARER

The Coupon is presented for the dividend which will be No. 186 which must be deposited for examination at Lloyds Bank Plc, Registrar's Department, Section, 11 Bishopsgate, London EC2N 3LB, not later than 30th October, 1991, or surrendered through Messieurs Lazard Frères & Cie, 121 boulevard Haussmann, 75008, Paris.

BY ORDER OF THE BOARD

J. A. Cullen
Secretary

Shell Centre,
London SE1 7NA
12th September, 1991

Templeton Emerging Markets Investment Trust PLC

Notice is hereby given of the holding of the 11th Convertible Shareholders' Meeting 2001 ("Convertible Stock")

In accordance with and subject to the provisions of the Trust Deed dated 12 June 1988 ("Trust Deed") between the Company and the Governor and Company of the Bank of Scotland constituting the Convertible Stock, the Company today despatched a Tender Notice to each Stockholder, inviting each Stockholder to tender all or part of his Convertible Stock for sale to the Company.

The Tender Price payable in respect of Convertible Stock tendered pursuant to the Tender Notice is £1.45, payable in cash, every £1 nominal of Convertible Stock purchased.

The Tender for 1991 will remain open until midnight on 13 September 1991 and accordingly Stockholders who elect to tender all or any of their Convertible Stock must complete and sign the Form of Tender enclosed with the Tender Notice, attach their Convertible Certificate(s) and forward them to the Company's Registrars, of Scotland, Registrar Department, 100, York Place, Edinburgh EH1 3EY so as to arrive not later than midnight on 23 September 1991.

Stockholders who wish to further copies of the Tender Notice or Form of Tender should contact the Company's Secretaries, Templeton Investment Management Limited, Templeton House, 100, York Place, Edinburgh EH1 3EY (telephone 031-228-3932).

By order of the Board
D B Anderson

for Templeton Investment Management Limited
Secretaries
13 September 1991

C&G Cheltenham & Gloucester Building Society

£175,000,000

Floating Rate Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period ending 10th December, 1991 has been fixed at 10.40% per annum. The interest accruing for such three month period will be £254.29 per £10,000 Bearer Note, and £2,592.88 per £100,000 Bearer Note, on 10th December, 1991 against presentation of Coupon No. 1.



10th September, 1991

London Branch Agent Bank

Temple Court Mortgages (No. 2) PLC

£150,000,000

Multi-Class Mortgage Backed Floating Rate Notes 2031

Class A1 £75,000,000 Class A2 £75,000,000

The rate of interest for the period 11th September, 1991 to 10th December, 1991 has been fixed as follows:-
Class A1 is 10.5667 per cent. per annum payable at £263.44 per coupon.
Class A2 is 10.7167 per cent. per annum payable at £267.18 per coupon.

Coupon No. 3 is payable on 11th December, 1991.

S.G. Warburg & Co. Ltd.

Agent Bank



Raiffeisen Zentralbank Österreich
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US\$50,000,000
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For three months 13 September, 1991 to 13 December, 1991 the rate of interest will be 10.40% per annum payable on the relevant date, 13 December, 1991 against Coupon No. 41 at US\$73.46 Listed on Luxembourg Stock Exchange.

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UK AND IRISH COMPANY NEWS

Recession behind RTZ's 40% fall

By Kenneth Gooding, Mining Correspondent

RECESSION IN North America and the UK and slowing economic activity elsewhere have cut into first-half profits of the RTZ Corporation, the world's biggest mining company.

RTZ's taxable profit dropped by 40 per cent, from £475m in 1990 to £285m. Net attributable profit, which RTZ suggests is the most relevant measure of its performance, plummeted by 43 per cent, from £310m to £180m.

Mr Bob Wilson, chief executive, said that, as the world's largest producer of mined materials for the steel industry, RTZ could not escape the consequences when the economy was in the throes of recession.

But it had intensified efforts to improve efficiency and had resulted in substantial manpower reductions and productivity gains.

Throughout the world, RTZ had made about 7,000 employees redundant in the last year, about 10 per cent of its workforce. About 1,500 were in the UK.

RTZ's UK industrial outshoot, had made 5,000 redundancies since early 1990. Wilson warned there would be more redundancies in the second half.

For example, the Rossing Uranium plant in Namibia today is considering further output cuts and substantial redundancies.

Mr Wilson said that redundancies in the first half would be about 1,000 after tax but RTZ had cut about 1,500 after annual results.

RTZ will pay a maintained interim dividend of 6p from earnings per share of 15.6p, down from 27.3p.

Sir Derek Birkin, chairman, said that the board had decided not to increase the dividend in view of the uncertain outlook.

"We will take another view of prospects at the end of the year," he added.

Sir Derek said there were yet few signs of recovery in the group's businesses.

However, "although the short-term prospects for the mining industry are cloudy, it is in much better shape than



Bob Wilson: warned of more redundancies to come at the equivalent point in last economic cycle.

RTZ's prospects are healthy," he added.

Although analysts had been downgrading their forecasts recently, the half-year results were below most expectations. Against the general trend in the market yesterday, RTZ shares slipped by 4p to close at 569p.

Turnover in the half-year fell by 14 per cent to £2,274m. Volume declines mainly in industrial minerals and manufactured products accounted for 547m of the drop in net earnings, £34m from lower prices and £14m from currency variations.

The stronger dollar also affected gearing which increased from 28 per cent at the end of 1990 to 29 per cent. Cash flow fell by 11 per cent to £275m, exploration expenditure was reduced from £100m to £85m and equipment expenditure, plant and equipment, down £18m to £138m.

The group wrote off £11m of advance corporation tax in the first half, by £1m from last year.

Lex

Greencore chief faces calls for resignation

By Tim Cooney in Dublin

MR BERNIE Cahill, chairman of Greencore, the Irish sugar foods group, faced calls for his resignation from angry shareholders yesterday following a government decision to take over the company.

A High Court order yesterday forced Greencore to buy out earlier this year of Sugar Distributors (Holdings).

Yesterday's extraordinary meeting approved the takeover by Greencore of Industries, Mr Larry Goodman's former agribusiness. Shareholders then pressed Mr Cahill to reveal the extent of other board members' knowledge of aspects of the SDH deal.

Last year, Irish Sugar's (before it was privatised) was a 100 per cent subsidiary of Greencore. It had a 100 per cent stake in SDH. Irish Sugar already owned the remainder.

In a prepared statement, Mr Cahill said it was the board's view that the SDH deal was in the best interests of the company. Irish Sugar was a 100 per cent subsidiary of Greencore at the time of the SDH deal.

There were shouts of "resign" when one shareholder asked why SDH executives had not been asked to resign.

Mr Cahill said he was a 100 per cent shareholder in SDH. He said he was a 100 per cent shareholder in SDH. He said he was a 100 per cent shareholder in SDH.

A golden handshake to Mr Chris Comerford, Greencore's chief executive, said the year had been good but the result was less than expected. He added that all group

Waterford and Avonmore call off merger negotiations

By Peggy Hollinger

TWO LEADING food groups in the Irish Republic, Waterford and Avonmore, yesterday announced that negotiations over a proposed merger had been called off.

The news came as Waterford and Avonmore both revealed sharp rises in pre-tax profits for the first half of 1991.

The companies said that a merger "would not be possible at this time". Talks had been under way since May this year. If successful they would have resulted in a company with combined sales of more than £100m (£130m).

Neither company commented on the decision to end negotiations, although they said they would continue to work together in various business areas.

Avonmore, which has pursued an aggressive acquisition programme over the last year, announced a 100 per cent increase in pre-tax profits to £12.5m on turnover of £12.5m for the six months to June.

Mr Brendan Graham, company secretary, said that the 60 per cent increase in turnover was due to acquisition

tions in the second half of last year. Organic growth was strongest in the group's milk and meat divisions.

"We are happy with the general level of performance, and particularly happy with the UK companies," he said.

Margins improved in the first half due to rationalisation and market improvement. The group had increased its stakes in its acquired seven businesses in Ireland, the UK and US. These purchases were paid for through internal funding, he said. Gearing at the year-end was 60 per cent, although Mr Graham said that would be lower by December.

Earnings per share were 4.3p (3.3p) and a dividend of 1.35p (1.25p) is declared for the A shares.

A recovery in dairy prices boosted Waterford Foods, where pre-tax profits doubled to £7.7m on slightly lower turnover of £7.7m (£7.3m).

Earnings per share were 4.2p (3.3p) and a dividend of 1.1p (1.05p) is declared for the A shares. The pay-out in the B shares will be 0.75p (nil).

Second-half recovery at Sirdar

Sirdar, the Wakefield-based textile company, reported a recovery in profits in the second half resulting in annual taxable profits of £4.6m, down 13 per cent on the comparable 1990 figure of £5.3m.

Mr Jean Tyrrell, chairman, said the year had been good but the result was less than expected. He added that all group

companies were better about the coming year with sales expected to increase. He warned that the trading climate would continue to be tough.

Turnover for the year to June 30 was £25.5m (£24.4m). Earnings per share were 5.2p (5.9p) and the proposed final dividend is 1.1p (1.05p) for an unchanged total of 5.15p.

NEWS DIGEST

11% rise in Great Southern

GREAT SOUTHERN Group, the USM-quoted funeral services company, yesterday unveiled an 11 per cent expansion in taxable profits for the six months to June 30.

The increase - from £1.1m to £1.2m - came on turnover of £14.1m (£13m) and was struck after interest charges reduced to £1.1m (£1.3m). Borrowings fell from £1.1m to £1.1m over the period.

Mr Ian Hutcheon, chairman and chief executive, said that trading margins were maintained and operating profit increased in line with sales.

The lower percentage increase in pre-tax profits reflected reduced UK interest rates on cash deposits, currently over 10 per cent.

Earnings emerged at 8.5p (8.1p), the interim dividend at 1.2p to 1.5p.

Costs of withdrawal put Cussins into red

Costs associated with discontinued joint venture sent Cussins Property Group into red in the first half of 1991. This compared with a deficit of £1.8m last time.

The group has decided to focus on housebuilding in the north-east and in the commercial property activities.

Turnover rose 9 per cent to £7.2m (£6.6m), but the share of losses of £1.8m (£2.5m), anticipated in the May rights issue circular. Losses per share were 6.2p (14.2p).

There is no interim dividend.

Estates & General bucks the trend

Estates & General, the property investment company, posted pre-tax profits of £1.1m for the six months to June 30, compared with £1.45m.

Mr Peter Prouting, chairman, said the outcome was commendable in one of the most difficult periods in the UK property market.

Stormgard loses £3m in qualified accounts

Stormgard, the highly-g geared supplies group, yesterday reported a loss of £3m for the year to March 31, against taxable profits of £1.1m previously.

Sales, which are produced solely from the stationary business, fell 11 per cent to £45.5m (£51.4m).

The auditors qualified the accounts, referring to the uncertainty of the going concern basis. But Mr Holmes pointed out that Stormgard had support in its efforts to cut borrowings, and refinancing opportunities were being actively pursued.

Nevertheless, the auditors recommended payment of a dividend.

The year-end borrowings

MTL profits rise 23% to £2.35m

MTL Instruments Group, the manufacturer of intrinsic safety equipment, reported pre-tax profits of £2.35m for the six months to June 30, up 23 per cent on £1.91m (£2.35m).

Sales rose 32 per cent, from £7.1m to £9.2m.

Mr Ian Hutcheon, chairman and chief executive, said that trading margins were maintained and operating profit increased in line with sales.

The lower percentage increase in pre-tax profits reflected reduced UK interest rates on cash deposits, currently over 10 per cent.

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The year-end borrowings

Micro Focus considers paying dividends

By Nigel Clark

CONTINUED GROWTH in Micro Focus, the Berkshire computer software company, has prompted the 17 per cent rise in its share price to £25.90m in the six months to July 31. The company announced that it was considering paying dividends.

The shares closed at £20.55 up 33p.

The result included £478,000 from the disposal of its stake in Softwright Systems (SSL) and net interest income of £100,000 (£100,000).

The dividend position is being reviewed as part of an overall investigation into its listing.

The company said that since the American Depository Receipts programme began in June last year their number had grown to 33.7 per cent of the company's issued shares.

A recovery in dairy prices boosted Waterford Foods, where pre-tax profits doubled to £7.7m on slightly lower turnover of £7.7m (£7.3m).

Earnings per share were 4.2p (3.3p) and a dividend of 1.1p (1.05p) is declared for the A shares. The pay-out in the B shares will be 0.75p (nil).

During the period the company made two acquisitions for £5m (£1.75m) and the issue of £1.1m shares to "increase control over the product line and strengthen market position."

Total revenue was £25.5m (£23.3m) of which £1.1m (£1.1m) related to SSL. Earnings per share were 4.3p (3.3p) less allowing for the 600,000 new shares. The fully diluted figure was 4.1p (3.3p).

£2.4m outflow at Hall Engineering

Difficult trading conditions in the UK and South Africa sliced into profits of Hall Engineering (Holdings) in the six months to June 30. The pre-tax loss fell from £3.5m to £1.6m.

But the second half was expected to show improvement, said Mr Richard Hall, chairman.

Turnover fell from £7.3m to £7.3m. The interim dividend was 3.3p (3.3p) and the proposed final dividend is 1.1p (1.05p).

Operating margins in stockholding deteriorated sharply, although some improvement was now being seen.

Losses in the manufacturing businesses continued, but Hall had a substantial period through substantial contracts with the automotive industry.

In contrast, overall profit contribution from manufacturing grew to £2.17m (£1.63m), reflecting in particular buoyant conditions in the Basin.

Provisions push Waterglade into loss

After making exceptional provisions of £2.1m against the development and property interests, Waterglade International Holdings, the property developer, trader and

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JOHN LEWIS PARTNERSHIP plc
DEPARTMENT STORES
AND WAITROSE SUPERMARKETSCONSOLIDATED UNAUDITED RESULTS
FOR THE HALF YEAR ENDED 27 JULY 1991

	1991 £m	1990 £m	% change
Sales (including VAT)	1,073.4	1,013.8	+ 6
Trading Profit	40.1	45.9	- 13
Interest	10.8	7.9	+ 37
Pensions Fund Contribution	5.5	5.0	+ 10
Surplus available for preference dividends, profit sharing and, subject to taxation, for retentions.	23.8	33.0	- 28

Sales and profit

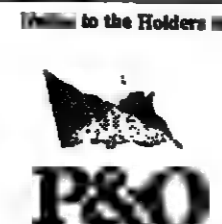
Sales rose by £18 million (+4%) in the department store division and by £42 million (+8%) in Waitrose supermarkets. With costs again rising at a faster rate than sales, trading profit fell by 13%. This is a very similar picture to that of a year ago and reflects the continued recession in the UK. Interest charges were sharply up on last year because of higher borrowing to fund the development programme, and pre-tax profit fell by 28%.

Profit sharing

Allocation between retentions and profit sharing is determined when the results for the full year are known.

Preference dividends for the half year were £109,000 (£110,000).

For further details of the results and / or the John Lewis Partnership please telephone 071-828 1000 ext 6222



The Peninsular and Oriental Steam Navigation Company

£75,000,000

4.75 per cent. Convertible Bonds 2002 ("2002 Bonds")

Pursuant to Condition 13 of the terms and conditions of the 2002 Bonds, notice is hereby given that the conversion price of the 2002 Bonds has been adjusted, as a result of the issue of new deferred stock by way of rights to the deferred and convertible stockholders of The Peninsular and Oriental Steam Navigation Company, as follows:

- 1) The adjusted conversion price at 712p per £1 nominal of deferred stock.
- 2) The adjusted conversion price took effect on 10 September 1991.

The Peninsular and Oriental Steam Navigation Company
70 Pall Mall, London SW1Y 5EJ

13 September 1991

UK COMPANY NEWS

L&G dives into losses for the first time in memory

By Richard Lapper

LEGAL & GENERAL, the composite insurer, yesterday plunged into the red for the first time in living memory, with interim pre-tax losses of £24.6m, against profits of £41.5m in the first half of 1990.

The slump in the property market and substantially increased provisions against mortgage indemnity losses was the principal reason for the dismal showing, announced yesterday by Mr David Prosser on his first day as chief executive. Mr Prosser has taken over the hot seat from Mr Joe Palmer who has retired.

However, buoyed by the strength of its balance sheet and a solvency ratio of 64 per cent, L&G increased its interim dividend by 5 per cent to 5.2p.

Losses from the general insurance business amounted to £134.7m (£20.3m), with provisions for mortgage indemnity claims lifted by £24m and subordinated debt claims of £22m (£10m).

L&G has only a 10 per cent share of the market for domestic mortgage indemnity insurance - which insures lenders against losses they may incur on the sale of repossessed properties - but has taken a more cautious approach than any of its competitors.

Actual losses amounted to £17m in the first half. Total provisions against future claims reached £155m.

Provisions included £10m for future claims arising from sales of properties already repossessed.

In addition the group is also providing for claims it believes will occur when mortgages currently in arrears are sold.

Profits from the core life and general insurance business declined to £57.3m (£60.4m), partially reflecting a £10m (£5m) per cent in new annual premiums.

COMMENT

The group had reported yesterday's bad news well in

advance. Indeed the shares were down 10p to 437p the day after the results. Despite some optimism about the life business, the group's profitability, and future results will be tarnished by further damage from mortgage indemnity losses for the full year should be expected to be between £10m and £20m.

The move was expected as net debt had reached £23.6m last December. This included £40m of convertible capital bonds on debt, with the board - which has been considerably reshaped in the past year - admitting that conversion is unlikely.

Debt continued to rise in the first half of this year, when Hickson's pre-tax profit fell 44 per cent to £18.2m, including more than £2m of exceptional costs principally for redundancies. Forecasts for the full year are for about £22m (£26.7m).

Gearing comes down to 11 per cent when the issue proceeds are coupled with recent disposals, including William Rhye chemicals for £23m and the floor coverings business for £10.6m.

The balance sheet became stretched after five years of expansion which saw nearly £160m spent on acquisitions and £100m invested in new plant and equipment.

Mr Ken Schofield, chief executive since November, said gearing should be held at between 10 and 16 per cent this year, allowing for the completion of new chemicals plants and spending to ensure that tougher environmental standards were met.

The group's trading had hit a low in May and was now just getting off the ground. Its geographic spread had been a mixed blessing with both Italy and the Netherlands suffering downturns early this year. In the US, the construction and DIY sectors remained depressed.

Hickson intends maintaining its final dividend at 5.15p for an unchanged total of 8p.

The issue has been underwritten by Lazard Brothers and Smith New Court are the

Hickson calls for £70m to cut £83.6m debt

By Jane Fuller

HICKSON International, the former acquisitive chemicals group where gearing hit 124 per cent in December and kept rising, has launched a £70m rights issue to tackle its debt problem.

The 2-for-5 issue, priced at 160p, was welcomed by the market and the shares gained 10p to close at 214p yesterday.

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Glaxo pins hopes on new drugs' growth

By Richard Gourlay

"There will never be another Zantac," says Sir Paul Girolami, referring to the anti-ulcer drug that has turned Glaxo into the UK's biggest industrial success story of the last decade.

But a clutch of new drugs emerging from Glaxo's relentless research and development machine this year have begun to fuel "a new cycle of growth," according to Glaxo's energetic chairman.

Yesterday's announcement of pre-tax profits up 9 per cent to £1.28bn goes some way to support that optimism.

In the first place, Zantac's time in the limelight is far from over even if the new generation of super-drugs are beginning to receive the glowing reviews.

Zantac still accounts for 47 per cent of group sales at £1.51bn, which in constant exchange rate terms is growth of 12 per cent. This growth rate has slipped from 14 per cent in 1990 but Mr Ernest Mario, chief executive, does not foresee negative growth for the drug within the next five years.

Glaxo still accounts for 47 per cent of the world market for anti-peptic ulcer drugs, down from 51 per cent last year.

The company's sales in Canada, which has applied to the US Food and Drug Administration for a generic, or unbranded, version of Zantac.

Its view is shared by Mr Ernest Mario, pharmaceutical analyst at County Nat West WoodMac, who believes Glaxo's patents will last into the next century.

In the respiratory field, Glaxo's growth has been as impressive. Sales grew 15 per

cent in constant exchange terms to £775m, while Glaxo's share of a market that is growing by 16 per cent a year rose one percentage point to 26 per cent.

The launch of December's Serevent, the first anti-asthma treatment in 20 years, had little impact on the year's figures. However, its ability to act as a long-acting bronchodilator is expected to give it a rapid market penetration, analysts say.

Antibiotic sales, accounting for 18 per cent of total sales, were £908m, with an underlying growth rate of 17 per cent.

Glaxo's share of the cephalosporin market, the most competitive sector of the world pharmaceutical market, grew from 9 per cent to 11 per cent.

While the growth of Fortum and Zinac, two antibiotic drugs, were a 10 per cent and 11 per cent respectively in underlying sales, sales of Zinnat, the oral version of Zinac, grew 47 per cent.

Of the new drugs which Sir Paul hopes will take up the reins of growth, the best anti-nausea treatment used in cancer treatment has been a "life-saving drug" for patients for whom chemotherapy would otherwise have been very difficult.

Its sales reached £78m in the year to June - the first full year since it was introduced in the UK and France. It has now been approved in 48 countries and is in phase III trials.

In addition, Glaxo launched Imigran, an

anti-migraine treatment, in the Netherlands in June this year and has just received approval for an injection form in the UK.

In a notoriously difficult field for predictions, analysts have produced a particularly wide range of sales forecasts for this drug. At the pessimistic end, they project annual sales of less than \$1bn; at the more optimistic end, \$3bn.

Lehman Brothers' recent study of the "superdrugs" which are likely to have sales of \$500m or more by the year 2000, forecasts Imigran sales of \$3.5bn.

Overall, Glaxo's sales grew by 7 per cent to £2.1bn, but, stripping out the Zantac effect, were up 11 per cent, mostly due to a growth in markets rather than price rises.

The company's commitment to research and development is, however, likely to hit margins next year, according to Mr Mario. This will be partly offset by lower marketing costs, but margins will still slip slightly to 32.1 per cent, he says.

Nor will Glaxo enjoy the level of investment income it enjoyed in 1991, a result of the high interest rates. Its £1.2bn of net assets earned the company £179m, up 26 per cent on the year.

Sir Paul says that while this is a large amount of cash, it is a source of comfort for a company which has to take a long-term view as it may not take a return from its mushrooming R&D facilities for up to 10 years.

A special dividend is hand on the table for shareholders in the event of the question, says Sir Paul. After all, the cash still represents only one year's profits.

Interest holds ABP to 4% rise

By Bronwen Meddow

A STEEP rise in interest charges - from £1.2m to £5.1m - and the pre-tax profit increase at Associated British Ports, the ports, transport and property company, to 4 per cent in the first half of 1991.

The taxable profits of £31.7m (£20.5m) were achieved on a sharp leap in turnover to £197.1m (£197.5m), reflecting the Aldwych House sale.

The ports and transport division's 47 per cent jump in trading profits to £39.3m was driven by Immingham, Hull and Southampton, ABP's largest ports, and mainly reflected further cost savings since the abolition of the National Dock Labour Scheme in July 1989.

Since then ABP has halved the number of its dock workers to about 2,000.

Turnover in ports and transport was pushed ahead to £22.3m (£27.8m) by a 5 per cent increase in ports tonnage, particularly container traffic at Southampton and bulk commodities from Hull.

Property investment profits of £10.1m (£7m) were helped by

a rise in rental income from £1.2m to £2.1m.

The group made a small profit on June's £75.2m sale of Aldwych House, its largest development, but a further £5m provision against work in progress kept the property development side to a trading loss of £200,000 (£2m loss).

The Aldwych sale and borrowings from £208m at December 1990 to £244m at August 1991.

Interest payable rose to £27.6m (£21.1m) but a fall in capitalised interest to £10.1m (£20m), following the completion of development projects, pushed the interest charge to £17.5m (£12.2m).

Earnings rose 5 per cent to 12p (11.4p) per share, outstripped by the interim dividend, up 13 per cent to 3.1p (2.75p).

Sir Keith Stuart, chairman, said that the land reclamation and jetty extension plans at Immingham, where the estimated cost has risen from £20m to £20m, would proceed whether or not the joint venture with National Power and

Electricity was successfully negotiated.

COMMENT

The initial of the ports profits was the result of the Aldwych House sale. Recent productivity gains and more capacity should now help it to make the best of a recovery in demand. Property development will probably continue to drag growth rates down, with no fast recovery in commercial property likely. Even though the scanty profit on the Aldwych sale looks a misfire, the group was over-

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Rolls-Royce confident despite profits plunge

By Paul Betts, Aerospace Correspondent

ROLLS-ROYCE, the aero-engine manufacturer, reported a 90 per cent fall in the half pre-tax profits from £111m to £11m reflecting the current slump in the aerospace and defence sectors.

First half profits included £23m in exceptional charges to cover the restructuring programme as well as an operating loss in South Africa.

The company expects additional restructuring charges in the second half, but these are expected to be offset by savings in operating costs earlier in the year.

Overall, City analysts expect Rolls-Royce to report full year pre-tax profits in the £100m range compared with £150m last year.

Sales rose by 5 per cent to £1.59bn to £1.67bn. However, profits were impacted by higher research and development costs of £118m, the first

half compared with £111m in the same period last year. But the company said R&D spending will be reduced in the second half. Overall R&D costs will be lower than last year's total of £111m.

Aerospace profits were sharply down from £72m to £11m reflecting the decline in the military business and the current slump in the commercial airline industry.

However, the company's industrial power operations were in a better earnings performance with profits only slightly lower at £40m.

Aerospace sales were marginally higher at £1.59bn compared with £1.58bn while industrial power sales were £583m compared with £575m.

The company's interim dividend was strong at 5.25p.

The interim dividend was maintained at 2.55p.

Starmin makes £20m call for further expansion

By Penny Hollinger

STARMIN, the engineering and quarrying business run by the Abdullah brothers, yesterday announced a £20m cash call, a move analysts said sharply improved its financial position.

Proceeds from the 3-for-4 rights issue, at 14.5p per share, will be used to purchase quarry assets, a Hertfordshire quarry business, and to pay dividends.

Borrowings total about £6.5m, giving gearing of 33 per cent before the cash call.

"The rights issue puts us in a much stronger position, with no gearing," said Mr Raschid Abdullah, executive director.

This is the group's third rights issue to fund expansion since the Abdullahs bought into Starmin, then known as S Group.

Mr Abdullah, who with his brother Osman built up Starmin, one of Britain's largest quarrying businesses from an engineering shell, said yesterday

that Starmin would provide quarrying business in England and would be the last big deal for the group.

Analysts said investors would expect a rights issue of this size, given Starmin's policy of rapid expansion.

In the year to May 31, Starmin reported turnover of £26.0m on turnover of £21.5m.

Starmin, meanwhile, reported pre-tax profits of £33,000 for the six months to June 30, compared to a £33,000 last time which was due to the original engineering business, which continued to incur losses this year.

Turnover jumped to £7.8m (£2.41m) following acquisition of 15 businesses and quarry related assets. Earnings came in at 0.3p (0.1p loss). The interim dividend has been reinvested at 0.1p.

RTZ HALF YEAR RESULTS

	FIRST HALF '91	FIRST HALF '90
Net attributable profit (after tax and minorities)	£154m	£269m
Earnings per share	15.6p	27.3p
Interim dividend (net)	6.0p	6.0p

- Severity of recession has increasingly affected results.
- Intensified efforts to contain costs and improve efficiencies.
- Balance sheet remains strong with gearing at 28 per cent.
- Good progress continues on major projects.

Sir Derek Birkin, RTZ's chairman, commented:

"In the medium to long term RTZ's prospects are healthy."

"We shall pursue further profitable opportunities currently under consideration or which arise from our significant exploration programme."

RTZ

Bringing out the best in the world

The full interim statement is being posted to shareholders. Copies are available from The RTZ Corporation PLC, 1 Redcliff Street, Bristol BS1 6NT.

THE RTZ CORPORATION PLC, 6 ST JAMES'S SQUARE, LONDON SW1Y 4LD.



ROLLS-ROYCE HALF YEAR RESULTS

Commenting on the interim results, Lord Tombs, Chairman said: "The results reflect the difficult business environment in which we are currently operating. However, we continue to make excellent progress with the development of our competitive product range which is reflected in our record orderbook and underpins a very positive long term outlook."

DIVIDEND

The directors have declared an interim dividend of 2.55p per ordinary share (1990: 2.55p). This will be paid on 6 January 1991 to those shareholders on the register on 1 October 1991.

Shareholders who are entitled to receive dividends of cash are advised that the value of the share will be the average of the quotations taken from the London Exchange official list from 16 September.

Shareholders have until 26 October to cancel an existing election for make an election if they have already done so.

The Registrar's address is Westminister PLC, Registrar's Department, 82, Horse, Way, Bristol BS99 7NH.

UNAUDITED GROUP PROFIT AND LOSS ACCOUNT

	Half year to 30 June 1991	Half year to 30 June 1990	Year to 31 December 1990
Turnover	1,670	1,590	3,670
Operating profit	168	198	468
Research and development (net)	(118)	(86)	(237)
understandings	3	-	2
interest payable	(5)	-	(7)
Exceptional items	(26)	115	226
Profit before taxation	11	118	176
Taxation (including tax and ACT)	(14)	(17)	(30)
(loss) after taxation	(3)	98	140
Minority interests	4	(2)	(6)
attributable to shareholders	1	95	134
profit (loss)	(24)	(24)	(69)
Earnings per ordinary share	0.1p	7.1p	13.9p

	Half year to 30 June 1991	Half year to 30 June 1990	Year to 31 December 1990
1. The main	Unaudited	Unaudited	Audited
Aerospace	683	607	2,339
Industrial Power	1,670	1,590	3,670
Research and development	(118)	(86)	(237)
understandings	3	-	2
interest payable	(5)	-	(7)
Exceptional items	(26)	115	226
Profit before taxation	11	118	176
Taxation (including tax and ACT)	(14)	(17)	(30)
(loss) after taxation	(3)	98	140
Minority interests	4	(2)	(6)
attributable to shareholders	1	95	134
profit (loss)	(24)	(24)	(69)
Earnings per ordinary share	0.1p	7.1p	13.9p

Profit above is after exceptional items, restructuring costs incurred to date and exceptional charges of £118m for the half year to 30 June 1991 and £86m for the year to 31 December 1990. The segmental analysis is £14m Aerospace and £12m Industrial Power.

An Aerospace provision of £118m was made in the year to 31 December 1990 for restructuring costs incurred to date and exceptional charges of £118m for the half year to 30 June 1991 and £86m for the year to 31 December 1990. The segmental analysis is £14m Aerospace and £12m Industrial Power.

Earnings per ordinary share are calculated by dividing the profit attributable to shareholders by the average number of ordinary shares - 961 million - in the year to 31 December 1990.

4. The comparative figures for the year to 31 December 1990 are audited and which have been submitted to the Registrar of Companies.

Rolls-Royce plc, 65 Buckingham Gate, London SW1E 6AT.

UK COMPANY NEWS

Decline to £9m knocks 9p off Wm Baird shares

By Alice Rawthorn

SHARES OF William Baird yesterday fell by 9p to 263p after the textile and engineering group announced a 29 per cent fall in mid-year pre-tax profits from £10.5m to £7.6m. Baird, which recently secured a £39m rights issue to raise capital for investment and acquisitions, felt the effect of the recession on both textiles and engineering, its two divisions. Mr Donald Parr, chairman, said the markets for both businesses had been "very weak indeed."

Group turnover slipped £1.1m (£240.3m) in the six months to June 30. The interim dividend is maintained at 1.5p despite lower earnings of 6.4p per share.

Textile activities, where Baird is one of the largest suppliers of clothing to Marks and Spencer, hit by the con-

sumer demand and the impact of last spring's increase in VAT. Operating profits from this source fell to £8.83m (£10.4m) in spite of slightly lower turnover of £185.5m. Darchem, the engineering division, suffered lower demand as the recession hit the power, motor and engineering industries. Operating profits fell to £3.71m (£4.76m) on turnover of £50.2m (£54.8m).

Interest charges rose £3.13m (£2.53m). Proceeds of £1.1m (£1.5m) were received in May, should ensure that the group has no debt by the end of the year.

Mr Parr said there was no sign of an improvement in conditions for textiles, although the market had reached a plateau. The engineering division

is likely to deteriorate further.

COMMENT
The results were slightly worse than City had expected, as Baird missed out on yesterday's mini-surge in the textile sector. The group's position in textiles and engineering is not as strong as it once was. Analysts expect a fall in pre-tax profits to £5m for the full year, putting the share on a prospective p/e of 14. But Darchem's difficulties seem to continue to cloud Baird's prospects, even though recovery is in sight in textiles.

John Lewis down 28% and warns on full year

By John Thornhill

JOHN LEWIS Partnership, the department store and supermarket group which is down 28 per cent because of the worsening economy. JLP, which runs 11 department stores and 96 supermarkets, recorded a 10 per cent increase in sales but escalating costs and increased borrowing charges in the pre-tax fall.

In the six months to July 27, taxable profits fell to £11.7m (£10.1m). Mr Lewis, chairman, warned employees - or partners - that he could see a further 20 per cent fall in profits in the full year. He added that partnership pay costs were 11 per cent of the previous year's figure, running at £11.7m (£10.1m). The increase, "until we can reverse the trend the result of the very largely on Partnership Bonus," he said.

In the half-year, trading profits fell to £10.1m (£11.7m) and interest and preference dividend payments increased for a further £10.8m (£7.9m).

'Nearly-new' sales lift Bletchley 24%
Sales of Bletchley Group jumped 24 per cent yesterday after the company announced pre-tax profits of £1.7m (£1.4m) for the first half of 1990.

Mr David Dunn, chairman, said the increase - from £1.4m (£1.1m) - was due to tight control and targeting of sales. The company was concentrated on "nearly-new" vehicles, especially for the corporate sector, which helped the group to slump in new car sales.

Turnover rose to £30.3m (£27.9m). Earnings per share emerged at 8.4p (6.7p) and the interim dividend is held at 4.1p.

The fatal attraction of Magnet's MBO

Michiyo Nakamoto reports on the kitchen retailer's Topsy-like debt

HIGHLY leveraged buy-outs are supposed to be risky. But advisers to the management buy-out of Magnet, the kitchen retailer, are finding that the risks are not simply restricted to financiers, as they themselves face legal action for negligence and misrepresentation from a disgruntled Magnet creditor.

Bankers Trust, which Magnet's £529m buy-out in 1989 Arthur Anderson, which advised Magnet's management, and Arthur Young, the company's auditor, are facing legal action by GE Capital, the financial services arm of General Electric of the US.

The US group has issued writs for damages against the three and against Airedale Holdings and Water Meadow Holdings, Magnet's parent companies following the MBO. GE is claiming that it was misled when it provided £70m of mezzanine finance for the buy-out and therefore its finance should rank higher up the scale for repayment.

The move by GE adds another twist to the already complicated Magnet saga, which goes back to the spring of 1989. The controversial buy-out, led by Mr Tom Duxbury, then chairman and chief executive, ran into trouble even before it got off the ground.

Shareholders at first resisted the terms, resulting in a long drawn-out wrangle that meant the buy-out was not completed until July 1989, although it was announced in March.

Then, almost as soon as it was completed, the banks which provided finance to the deal found themselves unable to syndicate their exposure. The buy-out had been launched at the peak of the mortgage and housebuilding markets, on which Magnet is dependent. But by the time it was completed, trading conditions had rapidly started to deteriorate.

At the time of the MBO, Airedale, which was then a holding company, was intended as the vehicle to buy out Magnet's kitchen improvements, now renamed Water Meadow Holdings.

Magnet itself, the trading company that sells kitchen furniture to consumers, was and remains a subsidiary of Water Meadow.

The situation, which provided Magnet with backing to the MBO, including GE, ended in Airedale, the ultimate



Magnet: all roads to its ill-timed and, with hindsight, disastrous buy-out are being sued by GE Capital

parent company, which was to fund its interest and principal payments out of an income stream consisting principally of dividend payments from Magnet.

The loans were not secured against Magnet's assets, which included the Magnet brand name. But Airedale and Water Meadow were to be merged after the buy-out, allowing creditors to secure their loans against Magnet's assets.

When the trading environment turned so dramatically against Magnet, Water Meadow's board decided not to merge with Airedale. The decision was based on the view that Magnet's cash flow would not be sufficient to service Airedale's debts. Agreeing a merger with Airedale would be tantamount to giving up Magnet's assets to Airedale's creditors.

As Magnet's trading environment remained weak, Airedale was forced to reschedule its debt. In 1990, borrowings and interest rolled over have since ballooned to £118.1m (£118.1m) from £70m (£70m). In the past, end-March, Magnet reported pre-tax losses of £18.1m (£18.1m) on sales of £225.3m (£225.3m). No dividend payment was made.

It does not, however, have any borrowings of its own and is unaffected by Airedale's debt position. Neither is it under

any obligation to pay dividends to Airedale.

For GE, all this means that the value of its £70m of mezzanine finance to Airedale is virtually worthless.

Water Meadow's decision has deprived Airedale's creditors of a claim in Magnet's assets as security for their loans. The group have shrunk to £180m as a result of the plunges in property prices and in consumer spending.

GE's debt ranks at the very bottom of a total of about £700m owed by the Magnet group to its creditors, in that even if Magnet's income position were to improve markedly in the year ahead, there is more than £400m worth of senior debt waiting to be serviced ahead of GE's own subordinated loans.

Bankers Trust and the other firms being sued will comment beyond saying that they are defending their positions against GE's claims. Airedale's other bankers have agreed to continue supporting the group, financially through the defence.

Indeed, they are baffled by GE's claims, according to one source. GE would not comment on whether it has written down its loan to Airedale. But the lending agreement between the two companies, which is the only likely explanation for its action is that, having given up on its £70m exposure, it is resorting to legal action to attempt to claw back what it can.

The Magnet deal was supposed to herald the arrival of the mezzanine debt market in the UK. Bankers Trust was keen to expand its presence in the leveraged buy-out business, where it had expertise, while it was expanding aggressively in the UK subordinated debt market.

Ironically, as one of the largest MBOs in the UK at the time, the Magnet deal would have been seen by both as an ideal opportunity to make their mark in their respective specialist fields in the UK.

By any standards the experiment was a disaster for both alike. Admittedly, it has stumbled over one of the first serious misjudgements made not so much by GE's reputation. But perhaps the real lesson is wondering what it has to gain by further jeopardising Magnet's chances to start to repay its debts.

Triplex Lloyd raises funds in Dunstall deal

By Ivor Duce

Triplex Lloyd effectively raising £5.7m in cash for the company by offering five ordinary shares at 130p each - they were 125p before yesterday's announcement - for every Dunstall Park Holdings ordinary.

The £5.7m values Dunstall, which recently acquired Wolverhampton Racecourse, at 130p a share, compared with 125p when they were last traded.

Main shareholders support the move which immediately gives Triplex Lloyd the cash following the Wolverhampton sale. It is unlikely to have problems with the property sales which are expected to start in the next few months.

Dunstall has seen a substantial increase in income with the gross income on 5 Triplex Lloyd ordinary worth 46.66p against 13.33p in gross income from Dunstall ordinary.

Full acceptance of the recommended offer would involve issues of about 4.44m new Triplex Lloyd shares, representing 10 per cent of its enlarged equity.

Canning 36% lower in patchy first six months

By Paul Chesswright, Birmingham Correspondent

W CANNING, Birmingham speciality chemicals manufacturer and electronic components distributor, yesterday reported a 36 per cent fall in interim profits.

But figures for the company, which has three quarters of its turnover in the electronics sector, showed a 1991 first-half performance was markedly better than that of the 1990 second half.

Pre-tax profits for the six months to June were £3.06m, compared with £1.7m in the same period of 1990 and £2.06m in the second half of that year. Earnings per share were 6.2p (5.5p), but the interim dividend is maintained at 2.54p.

The trading performance was, at best, patchy, although the figures were broadly in line with market expectations. Mr David Probert, chairman, predicted: "The general uncertainty in trading looks as though it will continue in the second half."

Speciality chemicals volumes were lower in the UK, and demand dropped in France but remained firm in Germany. In electronic components, Germany was a mixed market,

Spain was bad, but France and Italy were good; there has, however, been considerable pressure on margins.

Canning has sought to combat these conditions with the introduction of new products - one to assist the electronics sector in the US, for example - and with cost-cutting.

Redundancy and business termination costs have been the line as an exceptional item came to £541,000. But there was an extraordinary item of £1.1m, covering the cost of closing down a joint venture in Australia and of reducing operations in Spain.

At the end of September, Canning's workforce has been reduced from 1,174 to 1,173. The largest amount of redundancy was in UK speciality chemicals manufacture, where 101 jobs were lost.

Gearing remains about 45 per cent but has increased in the second half, largely because of working capital requirements and delayed payments on earlier acquisitions, if a £7m programme of asset sales does not come to fruition.

The week's business behind us, Weekend FT writers focus on issues closer to home. It could well pay you to join us (if you don't already).

Our Finance and the Family pages look at every aspect of the increasingly complex area of personal finance.

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But the FT's weekend doesn't stop there. Lucia van der Post defies the recession with designs on "How to spend it" - and when you've spent it, where do you put it? Well, along with sound advice, you'll find on our Property Pages many of the most interesting homes on the market.

We keep an eye on the auction rooms, take in an exhibition or two, review new productions, new books and of course, new motor cars.

Phillipa Davenport conjures up culinary classics and Jancis Robinson, fine wines at prices you can swallow... and so our weekend goes on.

However you spend yours, we think you'll find Weekend FT is doing much the same.

Pick up a copy this Saturday and find out.

Weekend FT

Crystalate contribution helps TT to £6.7m

By Jane Fuller

TT GROUP, the industrial holding company which recently in its takeover bid for Magnetic Materials Group, increased pre-tax profits by 46 per cent from £4.64m to £6.77m, in the first half to June 29.

Although 80 per cent of TT's business lies in the UK, Mr Nicholas Shipp, a director, said: "We have not experienced a major downturn."

The results benefited from a six-month contribution from Crystalate, the electronic components maker acquired for £34m in shares and cash after a five-month battle.

Group turnover was then doubled to £78.3m (£33.6m). Operating profit of £11.1m (£4.79m) was reduced by interest costs of £1.77m (£1.77m) arising from the acquisition.

Mr Shipp said borrowings were small pre-Crystalate, but after the takeover, rising to 70 per cent. With the help of a £9.7m preference loan in November, the year-end figure was cut to 40 per cent and had improved slightly since.

The abortive bid for Magnetic Materials, another components maker, cost about £3m cash as TT acquired a 38 per cent stake. Mr Shipp said the

dividend would cover the related interest cost and the group remained on a lookout for other underperforming manufacturing businesses.

Some of the profit growth had been organic, the largest contribution coming from the industrial division, comprising electronic and electrical components as well as Crystalate.

In packaging, demand for glass containers was buoyant from the pharmaceuticals and food sectors; the latter also benefited from the stretch-film subsidiary.

Building services received recent orders for suspended

ceilings, particularly from retailers, and ironmongery, made up for lost UK business by exporting to the Middle East and Far East.

Earnings rose by less than 7 per cent to 15p (8.1p) as the number of shares in issue increased by nearly 30 per cent. The interim dividend increases to 2.5p (2p).

The company's broker is forecasting full-year pre-tax profits of £14.6m (£10.5m) with earnings per share of 15p (14p). The share price reached a new high of 140p yesterday, after rising 5p on the figures. It has doubled in the past 12 months.

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UK COMPANY NEWS

US and continental input helps UB to £86m

By Guy de Jongh, Consumer Industries Editor

UNITED BISCUITS increased pre-tax profits by 4 per cent from £86m to £89.1m in the six months to July 13, largely due to a strong performance in the US and contributions from recent continental acquisitions.

Mr Robert Clarke, chairman, said the improvement was made in spite of difficult trading experienced in UB's main markets.

"It would, I believe, be unwise to predict a significant upturn before the end of the year," he said, though he remained confident of a factory full-year result.

Sales rose 9 per cent from £1.4bn to £1.53bn. A 13 per cent rise in trading profit to £106m (£92.6m) was reduced at the pre-tax level by increased interest charges of £18.9m (£9.6m), reflecting acquisition costs.

Mr Clarke dismissed speculation that UB might be a bid target, saying "I don't see any major hostile bids coming."

Analysis of the company's share register revealed no unusual change in ownership.

Trading profits were 14 per cent of sales.

divisions, except Terry's, where weak sales of boxed biscuits was blamed for a fall to £3.1m (£3.7m) on turnover of £82.1m (£86.1m).

Profits at Ross Young's, the French biscuit business, recovered to £14.1m (£13.4m) on sales of £261.6m (£251.1m) following rationalisation.

The recession squeezed margins on business in the UK, where trading profit rose 3 per cent to £64.4m (£62.8m) on sales of £235m (£232m). Nonetheless, volumes were 1.2 per cent higher at the McVitie's biscuits business, while the KP snacks operation increased its share of all main British markets.

Mr Eric Nicol, chief executive, said the Gulf war also had an "extraordinary negative impact" in the first quarter, though this was made up in the second quarter.

Mr Nicol said the US biscuits and snacks subsidiary, increased trading profit by 16 per cent to £31.4m (£27.1m) on sales of £512.5m (£480.8m).

New products helped Keebler raise its share of the declining US cookie market, while its



Robert Clarke: improvement achieved despite difficulties in main markets

sales of bakery products grew 10 per cent in the US market. Trading profit from continental operations trebled to £11.1m (£3.6m) on sales of £111m (£81m).

The improvement partly reflected the acquisitions since January of Oxford Biscuits in

Denmark, 41 per cent of Fines Høegh in Finland and of Gyori Keksz in Hungary.

Mr Nicol expected to raise operating margins of the continental businesses in the medium term from about 5 to 10 per cent by increasing volumes and improving efficiency.

The interim dividend is expected to be 5.5p (5.3p).

Earnings per share were 12.4p (12.2p) on an adjusted basis and 11.9p (11.6p) after dilution due to exercise of warrants and conversion of preference shares.

See Lex

High margin contracting limits John Laing's fall to 20%

By Andrew Taylor, Construction Correspondent

JOHN LAING yesterday announced the latest contractor housebuilder to announce a sharp fall in interim pre-tax profits.

However, the decline of approaching a fifth from £7.8m to £6.5m during the six months to end-June, was less steep than other contractors have experienced during the past few weeks.

The company said that net profit at the end of June stood at only £13m, equivalent to gearing of just 6 per cent.

The stock market also took a hit from the announcement. Mr Laing said that there would be a further fall in house prices for provisions to be made.

Mr Laing said that there would be a further fall in house prices for provisions to be made.

Earnings per share fell from 5.9p to 4.8p and the group decided to maintain its interim

dividend at 3p. The time this was increased was during the last half of 1988.

Profits would have fallen further but for another strong performance from the group's contracting operations which have continued to benefit from higher margin work won during the late 1980s.

Mr Laing said that the housing division, which has struggled throughout the recession, incurred a further loss. The number of houses sold in the UK - the group operates primarily in south and east England but also in Scotland - fell by 28 per cent from 841 in 1990.

In the US, sales fell by almost a third from 191 in 1990. However, the figure is expected to show a sharp improvement during the second half as sales

negotiated during the brief period of euphoria which followed the end of the Gulf war, are concluded.

Mr Laing, unlike many other developers which have announced results recently, is generating enough profits to cover its maintained dividend without dipping into reserves.

It strengths its minimal gearing, which should remain under 10 per cent at the year end, and a quality contracting division which generates a positive cash flow and has helped offset the collapse of housing profits. These it hopes, should be on the mend by the time lower margin work starts to impact on contracting earnings. Full year profits, after taking into account all the swings and roundabouts, could be about £30m, the same as last year. This would put the group on a prospective pie of just over £1. The shares are worth the price just for the comfort of the dividend.

Portals overcomes margin pressures with 4% rise

By Peggy Hollinger

PORTALS GROUP, banknote supplier to the Bank of England since 1974, beat off the effects of recession to unveil a 4 per cent rise in pre-tax profits to £11.7m for the six months to June 30.

Turnover rose 11 per cent to £294.5m.

Mr Michael Morley, chief executive, said he was encouraged by the performance, despite pressure on margins in the protection and controls

reflecting losses incurred in the first quarter at Atrill Flame, which makes low emission burners for the petrochemical industry. Margins declined to 6 per cent for the same reason.

Atrill, which accounts for about 20 per cent of the division's turnover, had problems coping with high demand; new management had moved the business back into the black in the second quarter, Mr Morley said.

Houseman, which is in air and water hygiene for buildings, performed well, as did

Computer Technology, its latest acquisition.

The last performance, however, came with the security and specialist papermaking arm, which was strongly

boosted by JR Crompton, the teabag paper mill acquired in March 1990.

Turnover rose by 1 per cent to £46m, of which Atrill Flame was due to Crompton, and operating profits improved by 10 per cent to £1.1m.

Line of Crompton's flame mills was closed and the will be involved in the production

Lydney plant. Much of Crompton's emphasis will be on environmentally friendly, chlorine-free paper. Mr Philip Conway, executive director, said this was a growing market, with

about 50 per cent of Crompton's sales in this area.

Germany, following reunification, was an increasingly important market for environmentally friendly products.

Business growth, by far the division's biggest business, maintained its position, despite a setback during the April

The group reported that central results, which comprise property sales minus interest heads, would be significantly lower than last year's gain of £1.1m.

Earnings per share rose to 13.39p (12.73p) and 13.21p (12.21p) fully diluted. The interim dividend is expected to be 5.5p.

Gearing, based on net debt of £1.1m, was 16 per cent, one point higher than at the year end. This included the outstanding balance of £1m on the Crompton purchase.

Halifax rises despite provisions

By David Barchard

HALF LOANS forced Halifax Building Society to make more loan loss provisions of £11m in the first half of the current year.

Announcing interim results for the six months to July 31, Halifax revealed yesterday that its provisions against mortgage losses rose from £10m a year ago to £11m.

Pre-tax profits were £307m, up from £285m a year earlier. "We believe that this is pretty realistic provisioning," said Mr David Gilchrist, group general manager. Halifax also put aside £10m on commercial

lending; £10m on personal loans; and £10m on its Maxima chequebook business.

Before making provisions, Halifax was able to report a sharp increase in its operating profits which rose up by 10 per cent, but its assets grew by only 1 per cent in the last six months of the year to reach £11.5bn.

Gross lending was £3.75bn, down from £4.2bn in the same period last year, and the number of loans for house purchase fell from 1.1m a year ago to 1.0m in the first half of this year.

The society's mortgage network reduced its losses from £1m a year to £3m, in spite of the continuing stagnation in the housing market.

As a result of its lower volume of growth, the gross capital value of the society improved to 0.2 per cent.

Analysts said they were surprised by the size of Halifax's residential provisions. Abbey National, Halifax's main competitor in the mortgage market, also increased its residential lending provisions, but its assets were much smaller than those of Halifax.

DIVIDENDS ANNOUNCED

Company	Current dividend	Date of payment	Current dividend	Current dividend
All Ports	3.1	Nov 1	2.75	7.25
Almalyk Int	1.25	Nov 1	1.2	3.7
Barclay (William)	3.55p	Jan 3	1.2	3.7
Blackley Motors	4.1	Oct 1	4.1	7.85
Brammer	4.5	Oct 24	4.5	8
British Ridge	1.575p	Nov 1	1.575	5.975
Carnegie (W)	2.94	Dec 1	2.94	7.29
Canon Int	3.91	Oct 1	3.91	7.29
Castles Property	nil	nil	3.75	3.75
Emess	0.65	Nov 21	0.65	3.5
Emess (2)	1.225	Nov 21	1.225	3.75
Glaxo	19.5	Nov 21	15	22
Great Southern	3.3	Nov 1	3	8.5
Haden MacLellan	3	Nov 1	3	8
Hall Eng	3.3	Oct 1	3.3	8.5
Harrods	nil	nil	0.1	0.1
Laing (John)	3	Nov 1	3	13
Legal & General	6.2	Nov 1	5.9	17.9
Matthews (B)	2	Oct 25	2	4.5
MTL Instruments	1.5	Oct 25	1.5	2.5
Portals	6.7	Dec 31	5	8
Rothmans Bros	2.51	Nov 1	2	8
Roths-Royce	2.55	Jan 6	2.55	7.25
RTZ	6	Nov 16	6	15.5
Silver	0.1	Nov 28	0.1	5.15
Stearns	0.1	Nov 7	0.1	0.1
Swallowfield	2.2	Oct 31	2.2	5.1
Stormgard	nil	nil	1	2
TI	2.2	Oct 9	2	2
The Glasfibre	5.5	Nov 1	5.5	15.5
Waterford Fds A	1.14	Nov 6	1.05	3.3
Waterford Fds B	0.75p	Nov 6	0.75	1.05
Waterfords	nil	nil	2.75	4.7

Dividend amounts are per share (all amounts are in pence). Equivalent after allowing for scrip issues. On capital increase by rights and/or acquisition. All amounts are in pence. Irish currency.

Emess shows sharp decline

By Roland Rudd

Emess, the lighting and electrical accessories company, reported a 10 per cent drop in interim profits after a disappointing performance on both sides of the Atlantic.

Trading profit for the six months to June 30 fell from £6.2m to £5.7m, and after interest charges doubled to £2.4m, pre-tax profits slumped from £8m to £1.5m. Turnover was £73.5m (£81.5m).

The interim dividend is cut from 1.3p to 0.65p.

Mr Michael Meyer, chairman and chief executive, said: "The interim results should not be taken at face value from the full-year. Most of our profits in the consumer lighting business are earned at the end of the year."

He said a principal cause of the fall was the reduction in sales at Alsy, the US consumer lighting company.

Emess has responded by cutting the workforce by 500 to 1,000 and reorganising the business to reduce costs.

Fully-diluted earnings per share fell from 2p to 0.6p.



The players.

The half-time score.

Further progress in UK businesses □ Strengthened position in continental Europe □ Continued profit and margin growth in the USA □ "Though trading has continued to be difficult, I am confident that the underlying strength of our businesses will enable us to deliver satisfactory results for the year as a whole."

Robert Clarke, Chairman.



United Biscuits

The interim report will be posted to shareholders on 16 September. If you would like a copy please write to Group Communications Department, United Biscuits (Holdings) plc, Grant House, 11th Floor, 40, Lane, Isleworth, Middlesex TW7 5BN. Tel: 0181-561 5371. The directors of United Biscuits (Holdings) plc accept responsibility for the contents of this advertisement, which has been approved for the purpose of Section 57 of the Financial Services Act 1986 by United Biscuits (Holdings) plc, authorised by the Institute of Chartered Accountants in England and Wales to carry on

TECHNOLOGY

The prospect of having to smarten yourself up in use the telephone may not be everyone's idea of progress. But the concept takes a step nearer reality this December when several of Europe's telecom operators embark on pan-European trials of videophones.

Eve-2 (European Videophone Experiment) will involve up to 250 businesses in 1991 and attempt to consolidate on standards, products and services in a market that BT estimates will be worth \$3bn (£1.7bn) in Europe by 1995.

Optimistic telecom companies are already planning to launch commercial products within the year. It is a question of if the trial will succeed, says Plompen of PTT Nederland. "How quickly we can reach the demand for the market."

The development has been made possible by the installation of integrated services digital networks (ISDNs), which have begun to replace traditional analogue phone circuits throughout Europe.

ISDN is the ability to carry a greater amount of complexity of signals which in turn has allowed enhanced picture and sound quality to be transmitted. Typically, ISDN has increased the carrying capacity of telephone lines to roughly 10 times their previous level. To take advantage of the ISDN quality, the telecommunications industry has developed an enhanced code (coder/decoder) which will allow the videophone unit. It compresses visual

Christopher Price examines the growing market for videophones

Talking pictures

images and turns them into digital signals.

Thus where a normal television picture needs 140 megabits/second, the new video codec compresses it to just 64 kilobits/second - the carrying capacity of a single ISDN line. The effect is to reduce the potential cost of using the videophone to that of a single ISDN line - in the UK equivalent to the cost of a conventional phone call.

The participants in Eve-2 - Telecom, British Telecom, Deutsche Bundespost, Norway Telecom, PTT Nederland and SIP Italy - are all at different stages of ISDN development.

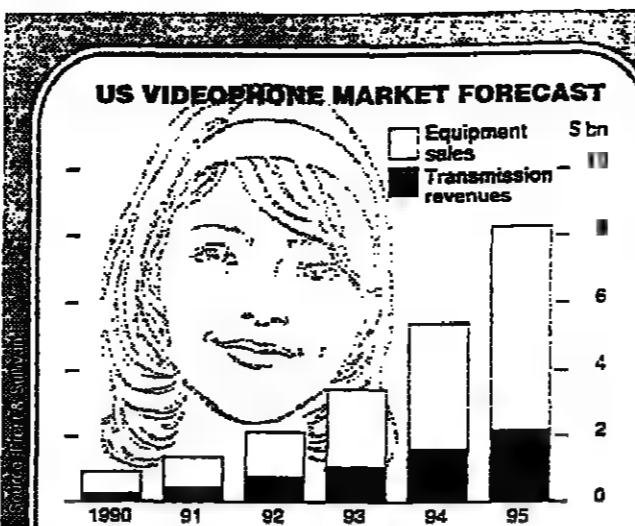
In France, Eve-2 participants will involve up to 100 companies. Jean-Pierre Guinen, France Telecom's representative on Eve-2, says: "There are only two problems with videophony - the lack of ISDN and the cost of the videophone units themselves. In France we only have the latter problem."

In Britain and Germany ISDN already links up major business centres. Graeme Mills, BT's representative on Eve-2, says the trials will enable operators to target specific market areas when commercial development begins.

"Eve-2 will allow us to find out what customers want and how they want to use the equipment, tariffs and services facilities."

The types of product and service the participating companies will favour will be decided by the market and manufacturers. There are a number of Japanese, American and European manufacturers getting ready to launch videophones.

BT has a model which incorporates a four-inch screen and a terminal block. Features include a button to self-viewing and another to deny viewing. Another design incorporates just the screen and screen and would be compatible with home phones.



Perhaps the most exciting product development is a computer board which can be inserted into their personal computers - to receive pictures on screen of TV quality while talking on the phone. A finger-sized camera would be sold to sit with the PC to send pictures to the caller.

Other services being eyed by BT include the launch of Eve-2 of a multi-point service which will allow any number of videophones, each using a kbit/s line, to talk together.

"Videophone multipoint is a world-first," says Mills. "It will allow people to see and hear other people in a number of compatible centres." "It would be activated so that the person speaking would always be in view. This would be achieved by a switching

Car bumper gets a second chance

DENTING your car bumper is bad news for your insurance premium; it is also bad news for the environment. Many of the dented car parts end up rotting on the scrap heap.

But Nissan, the Tokyo-based car company, has developed a paint-removal system for plastic bumpers. Until now plastic bumpers have been largely non-recyclable, as the paint on them could not easily be removed.

The technique involves pulverising the polypropylene bumper and mixing it with a solution containing halogen-free organic solvents. These break down the paint chemically without the use of acids or alkalis.

By removing the paint residue using a centrifuge, the liquid can be re-used. The plastic can be formed into bumpers in the same way as new materials, and Nissan is planning to install bumpers made of the recycled materials on new vehicles.

Computer applies for a night job

RUNNING a complicated spreadsheet program or updating a report can be a time-consuming task. The PC user can take a break while the PC completes its task. The time-consuming task can be done after office hours with a package developed in the US by Complementary Solutions, Atlanta.

In the UK for £99, SAL, of London, Automate/Anytime, as the package is called, runs with any IBM compatible PC. It popular applications packages for spreadsheets or report writing. By calling up the main menu, the user can instruct the PC when to carry out the task - whether a one off task, or a program to be run every evening or month.

Automate/Anytime can be used in the routine task of backing up all data to mitigate against the problems of a computer failure.

Power loses its attraction

Only 3 per cent of PCs purchased last year by organisations in the UK will be powerful machines based on Intel's latest 486 processor, according to a survey

published by Romtec, the Maldenhead-based information technology research organisation.

Instead, most organisations will opt for 386-based machines. Fifty-two per cent of respondents said they would opt for machines based on the 386SX processor, while 21 per cent planned to buy 386DX-based ones.

More than two-thirds of PC buyers - 69 per cent - will also buy portable PCs in 1992. In total one in every four PCs purchased will be a portable machine, says the report.

The report took into account the views of 220 managers from the UK's largest corporations. The organisations had, on average, 125 PCs on every site - a figure set to grow to 139 PCs by February 1992.

Designing the perfect document

DOCUMENT management systems already in use in office applications are now finding their way into the engineering and design industries.

Engineering Systems, of Marlow, Buckinghamshire, has announced a document system which will enable manufacturers, engineers and designers to store, modify and print or plot documents electronically. The system can scan into the system, and print from it, the large format diagrams needed by the design industry.

Based on its open systems architecture and Sun Sparc workstations, the Xerox Engineering Document Management System has a relational database and optical storage to handle documents, which today are normally stored on paper or microfilm.

Bullish about the arrival of Taurus

THE changing computer landscape of the securities industry following the implementation of the Taurus electronic trading system next year has led to the market for a range of computer systems.

One company which believes it can fulfil all the requirements on a single system is Citymax, the computer subsidiary of Credit Suisse, with Brokermax Plus. The software, which can run on a PC, Apple Macintosh or a 386-based processor from



WORTH WATCHING

by Della Bradshaw

a larger computer system incorporates tools for settlements, trading and funds management. In addition it has more useful office applications such as word processing, Lotus 1-2-3 spreadsheet and tools such as Windows and a mouse.

As well as selling the combined hardware and software system, Citymax is offering a bureau service to companies that do not want to invest in a large computer system.

Brokermax Plus already complies with the specifications issued by the Exchange for Taurus, but Citymax has undertaken to upgrade Brokermax Plus as requirements change.

Young Engineer for Britain

AN ELECTRIC drill attachment, which enables the user to drill accurately from different angles, has won a schoolboy from Shropshire the 1991 award, organised by the Engineering Council.

The "Drill-mate", designed by 15-year-old Adam Woodhouse, of Oldbury Wells School, Bridgnorth, comprises an arm which holds a degree chart and a plastic ball containing glycerine - which operates in the same way as the bubble in a spirit level. By attaching the arm to the drill, adjusting the degree dial to the required angle and checking the level of the spirit ball the hole can be drilled with accuracy.

Nissan: Japan, 3 555 2146.
Citymax: 0454 5033.
UK, 071 401 9688.
UK, 0223 770077.
Engineering Systems UK:
011, Chichester: UK, 079 63 005.
Wells School: UK, 0748 755494.
Engineering Council: UK, 071 540 7181.

Liquid crystal moves to the big screen

Applied Materials, a leading US maker of semiconductor manufacturing equipment, is setting up a Japanese subsidiary in a bid to cash in on one of the most vexing problems facing the makers of portable computers: how to raise the manufacturing yields of flat panel displays.

Currently about 90 per cent of display panels come out of the factory having to be junked because of defects. A microscopic speck of dust just 10 microns (2/10 of one millionth of a metre) is enough to ruin the thin film transistors used for liquid crystal display (LCD) panels. The problem is much more severe than with silicon wafers used for microprocessors because of the large size of the panels -

1.576 square metres as opposed to 0.03 square metres.

The new yields for LCD panels have kept prices high and prevented wider use of the devices. While many experts believe will eventually replace the bulky CRT tube in televisions in the home. The thin film transistor version is more compact and lighter. They also use less electricity, can produce a high-quality picture and, in theory, should be less expensive to produce.

Applied Materials has grown rapidly by developing equipment to manufacture films of semiconductors with high yields, and it will try to repeat this with similar technology with the much larger flat panel displays.

manufacturers have had to adapt manufacturing equipment designed for making solar cells, which are far more tolerant of contamination. It is a labour-intensive process in which human intervention is the last line of defence of any particles that find their way between the thin layers of film.

"Our ability to produce this opportunity is the result of doing 10 years of business in Japan," says James Morgan, chairman of Applied Materials. Applied materials is one of the rare US companies in the semiconductor manufacturing equipment industry and one-third of its \$567m (230m) sales last year were in Japan. Morgan said the decision to enter the LCD equipment market came after numerous requests

from Applied Materials' Japanese customers and the maturing of technologies needed to make a success of the new manufacturing process.

It says it would be impractical to develop the equipment without working closely with customers who will manufacture the displays. Applied Materials will design an automated system to operate in a vacuum, thus eliminating human intervention.

The company will employ chemical vapour deposition, plasma etching and physical vapour deposition - techniques for putting materials into thin films. Applied Materials is hoping to raise its manufacturing yields for thin film transistor screens to 70 per cent by 1992. This, it

believes, would help the market grow from \$300m this year to \$1.1bn by 1995.

The production equipment market this year is estimated at \$450m and could be expected to grow rapidly. Applied Materials will not be alone in the market. Its nearest competitor is likely to be Anelva, a subsidiary of the Japanese electronics company NEC, which is the world's largest maker of semiconductors and claims 75 per cent of the world market for chemical vapour deposition equipment.

Applied has already started marketing specialised LCD production equipment and claims yields of 50 per cent in some types of products.

Steven Butler

Price Waterhouse

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New York, NY 10022

FINANCIAL TIMES

EUROPEAN BUSINESS MANAGEMENT

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TELEPHONE: 0454 614373 FACSIMILE: 0454 614700

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All around the world people are benefiting from our medicines, including the new compounds of our **new** discovery which we have introduced in the last year.

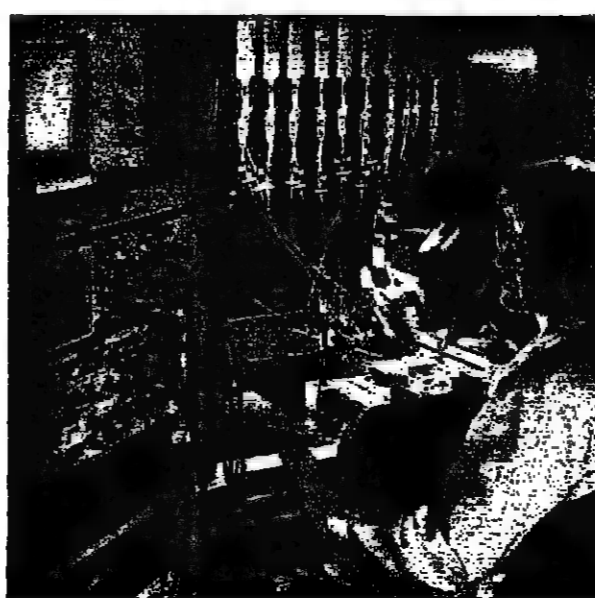
And it's this success in discovering and developing medicines that has enabled Glaxo **to** continue **to** grow impressively this year.

Sales have increased by 7% to £3,397m.

Profit before **tax** increased by 9% **to** £1,283m.

Earnings per share **rose** from 54.0p **to** 60.8p,

a **13%** improvement of 13%.



FINANCIAL HIGHLIGHTS YEAR TO 30th JUNE 1991

	1991 Unaudited	1990 (restated)	% Change
Turnover	£3397m	£3179m	7
Trading Profit	£1104m	£1040m	6
Profit Before Tax	£1283m	£1182m	9
Earnings Per Share	60.8p	54.0p	13
Dividends Per Share	28.0p	22.0p	27
Research and Development	£475m	£420m	13
Capital Expenditure	£621m	£637m	-3

This strong financial performance provides the **resources** for further research into diseases such as **cancer** and those of the central nervous and immune systems.

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AMERICANS

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
100	100	100	Alcoa	100	0	100	100	100	100	Alcoa	100	0	100
101	101	101	Alcoa	101	0	101	101	101	101	Alcoa	101	0	101
102	102	102	Alcoa	102	0	102	102	102	102	Alcoa	102	0	102
103	103	103	Alcoa	103	0	103	103	103	103	Alcoa	103	0	103
104	104	104	Alcoa	104	0	104	104	104	104	Alcoa	104	0	104
105	105	105	Alcoa	105	0	105	105	105	105	Alcoa	105	0	105
106	106	106	Alcoa	106	0	106	106	106	106	Alcoa	106	0	106
107	107	107	Alcoa	107	0	107	107	107	107	Alcoa	107	0	107
108	108	108	Alcoa	108	0	108	108	108	108	Alcoa	108	0	108
109	109	109	Alcoa	109	0	109	109	109	109	Alcoa	109	0	109
110	110	110	Alcoa	110	0	110	110	110	110	Alcoa	110	0	110

CANADIANS

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
111	111	111	Alcoa	111	0	111	111	111	111	Alcoa	111	0	111
112	112	112	Alcoa	112	0	112	112	112	112	Alcoa	112	0	112
113	113	113	Alcoa	113	0	113	113	113	113	Alcoa	113	0	113
114	114	114	Alcoa	114	0	114	114	114	114	Alcoa	114	0	114
115	115	115	Alcoa	115	0	115	115	115	115	Alcoa	115	0	115
116	116	116	Alcoa	116	0	116	116	116	116	Alcoa	116	0	116
117	117	117	Alcoa	117	0	117	117	117	117	Alcoa	117	0	117
118	118	118	Alcoa	118	0	118	118	118	118	Alcoa	118	0	118
119	119	119	Alcoa	119	0	119	119	119	119	Alcoa	119	0	119
120	120	120	Alcoa	120	0	120	120	120	120	Alcoa	120	0	120

BANKS, HP & LEASING

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
121	121	121	Alcoa	121	0	121	121	121	121	Alcoa	121	0	121
122	122	122	Alcoa	122	0	122	122	122	122	Alcoa	122	0	122
123	123	123	Alcoa	123	0	123	123	123	123	Alcoa	123	0	123
124	124	124	Alcoa	124	0	124	124	124	124	Alcoa	124	0	124
125	125	125	Alcoa	125	0	125	125	125	125	Alcoa	125	0	125
126	126	126	Alcoa	126	0	126	126	126	126	Alcoa	126	0	126
127	127	127	Alcoa	127	0	127	127	127	127	Alcoa	127	0	127
128	128	128	Alcoa	128	0	128	128	128	128	Alcoa	128	0	128
129	129	129	Alcoa	129	0	129	129	129	129	Alcoa	129	0	129
130	130	130	Alcoa	130	0	130	130	130	130	Alcoa	130	0	130

BEERS, WINES & SPIRITS

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
131	131	131	Alcoa	131	0	131	131	131	131	Alcoa	131	0	131
132	132	132	Alcoa	132	0	132	132	132	132	Alcoa	132	0	132
133	133	133	Alcoa	133	0	133	133	133	133	Alcoa	133	0	133
134	134	134	Alcoa	134	0	134	134	134	134	Alcoa	134	0	134
135	135	135	Alcoa	135	0	135	135	135	135	Alcoa	135	0	135
136	136	136	Alcoa	136	0	136	136	136	136	Alcoa	136	0	136
137	137	137	Alcoa	137	0	137	137	137	137	Alcoa	137	0	137
138	138	138	Alcoa	138	0	138	138	138	138	Alcoa	138	0	138
139	139	139	Alcoa	139	0	139	139	139	139	Alcoa	139	0	139
140	140	140	Alcoa	140	0	140	140	140	140	Alcoa	140	0	140

BUILDING, TIMBER, ROADS

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
141	141	141	Alcoa	141	0	141	141	141	141	Alcoa	141	0	141
142	142	142	Alcoa	142	0	142	142	142	142	Alcoa	142	0	142
143	143	143	Alcoa	143	0	143	143	143	143	Alcoa	143	0	143
144	144	144	Alcoa	144	0	144	144	144	144	Alcoa	144	0	144
145	145	145	Alcoa	145	0	145	145	145	145	Alcoa	145	0	145
146	146	146	Alcoa	146	0	146	146	146	146	Alcoa	146	0	146
147	147	147	Alcoa	147	0	147	147	147	147	Alcoa	147	0	147
148	148	148	Alcoa	148	0	148	148	148	148	Alcoa	148	0	148
149	149	149	Alcoa	149	0	149	149	149	149	Alcoa	149	0	149
150	150	150	Alcoa	150	0	150	150	150	150	Alcoa	150	0	150

BUILDING, TIMBER, ROADS

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
151	151	151	Alcoa	151	0	151	151	151	151	Alcoa	151	0	151
152	152	152	Alcoa	152	0	152	152	152	152	Alcoa	152	0	152
153	153	153	Alcoa	153	0	153	153	153	153	Alcoa	153	0	153
154	154	154	Alcoa	154	0	154	154	154	154	Alcoa	154	0	154
155	155	155	Alcoa	155	0	155	155	155	155	Alcoa	155	0	155
156	156	156	Alcoa	156	0	156	156	156	156	Alcoa	156	0	156
157	157	157	Alcoa	157	0	157	157	157	157	Alcoa	157	0	157
158	158	158	Alcoa	158	0	158	158	158	158	Alcoa	158	0	158
159	159	159	Alcoa	159	0	159	159	159	159	Alcoa	159	0	159
160	160	160	Alcoa	160	0	160	160	160	160	Alcoa	160	0	160

CHEMICALS, PLASTICS

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
161	161	161	Alcoa	161	0	161	161	161	161	Alcoa	161	0	161
162	162	162	Alcoa	162	0	162	162	162	162	Alcoa	162	0	162
163	163	163	Alcoa	163	0	163	163	163	163	Alcoa	163	0	163
164	164	164	Alcoa	164	0	164	164	164	164	Alcoa	164	0	164
165	165	165	Alcoa	165	0	165	165	165	165	Alcoa	165	0	165
166	166	166	Alcoa	166	0	166	166	166	166	Alcoa	166	0	166
167	167	167	Alcoa	167	0	167	167	167	167	Alcoa	167	0	167
168	168	168	Alcoa	168	0	168	168	168	168	Alcoa	168	0	168
169	169	169	Alcoa	169	0	169	169	169	169	Alcoa	169	0	169
170	170	170	Alcoa	170	0	170	170	170	170	Alcoa	170	0	170

DRAPERY AND STORES

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
171	171	171	Alcoa	171	0	171	171	171	171	Alcoa	171	0	171
172	172	172	Alcoa	172	0	172	172	172	172	Alcoa	172	0	172
173	173	173	Alcoa	173	0	173	173	173	173	Alcoa	173	0	173
174	174	174	Alcoa	174	0	174	174	174	174	Alcoa	174	0	174
175	175	175	Alcoa	175	0	175	175	175	175	Alcoa	175	0	175
176	176	176	Alcoa	176	0	176	176	176	176	Alcoa	176	0	176
177	177	177	Alcoa	177	0	177	177	177	177	Alcoa	177	0	177
178	178	178	Alcoa	178	0	178	178	178	178	Alcoa	178	0	178
179	179	179	Alcoa	179	0	179	179	179	179	Alcoa	179	0	179
180	180	180	Alcoa	180	0	180	180	180	180	Alcoa	180	0	180

BUILDING, TIMBER, ROADS

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
181	181	181	Alcoa	181	0	181	181	181	181	Alcoa	181	0	181
182	182	182	Alcoa	182	0	182	182	182	182	Alcoa	182	0	182
183	183	183	Alcoa	183	0	183	183	183	183	Alcoa	183	0	183
184	184	184	Alcoa	184	0	184	184	184	184	Alcoa	184	0	184
185	185	185	Alcoa	185	0	185	185	185	185	Alcoa	185	0	185
186	186	186	Alcoa	186	0	186	186	186	186	Alcoa	186	0	186
187	187	187	Alcoa	187	0	187	187	187	187	Alcoa	187	0	187
188	188	188	Alcoa	188	0	188	188	188	188	Alcoa	188	0	188
189	189	189	Alcoa	189	0	189	189	189	189	Alcoa	189	0	189
190	190	190	Alcoa	190	0	190	190	190	190	Alcoa	190	0	190

DRAPERY AND STORES—Contd

1991	Low	High	Stock	Price	Chg	Vol	1991	Low	High	Stock	Price	Chg	Vol
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
452	452	452	Alcoa	452	0	452	452	452	452	Alcoa	452	0	452
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■ Latest Share are available on FT Cityline. charged at 38p/minute cheap rate and 48p/minute all other times. To free Share Booklet ring

1971		Stock	Price	±	Div	Yld	C
High	Low						
Australians							
35	22	24MCM Ltd.	46		0.32	4	
37	37	24MCM Ltd.	46		0.52	4	
38	38	24MCM Ltd.	46		0.52	4	
39	39	24MCM Ltd.	46		0.52	4	
40	40	24MCM Ltd.	46		0.52	4	
41	41	24MCM Ltd.	46		0.52	4	
42	42	24MCM Ltd.	46		0.52	4	
43	43	24MCM Ltd.	46		0.52	4	
44	44	24MCM Ltd.	46		0.52	4	
45	45	24MCM Ltd.	46		0.52	4	
46	46	24MCM Ltd.	46		0.52	4	
47	47	24MCM Ltd.	46		0.52	4	
48	48	24MCM Ltd.	46		0.52	4	
49	49	24MCM Ltd.	46		0.52	4	
50	50	24MCM Ltd.	46		0.52	4	
51	51	24MCM Ltd.	46		0.52	4	
52	52	24MCM Ltd.	46		0.52	4	
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92	92	24MCM Ltd.	46		0.52	4	
93	93</						

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51	Drinks	24	Yacht Master	23
52	Swimsuits	24	Yacht	23
53	Blue Circle	24	Unlabeled	23
54	Boats	24	Unlabeled	23
55	Swimmers	24	Victims	23
56	First Appearance	54	Well-known	23
57	British Ship	13		
58	First, Telecom	29		
59	Charter	45		
60	Charter Code	45		
61	Control	30		
62	Control	30		
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AUTHORISED UNIT TRUSTS

[illegible]

Guide to pricing of Authorised Unit Trusts
Compiled with the assistance of Lautro SS

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: See *offer price* entry. The

HISTORIC PRICING: The letter H denotes that the managers will identify data on the price set on the most recent valuation. The prices shown are the latest available from publications and may not be the correct trading levels because of an

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The minimum spread between the

offer and bid prices is determined by a formula laid down by the government, in practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers if there is a large number of investors who want to sell.

TIME: The time shown alongside the bond manager's name is the time of the one trader's selection; other entries are marked as indicated by the symbol alongside the individual and their name.

the dynamo and all accessories (P) - 0007 1st 100 hours; (44) - 1101 to 1400 hours; (4) - 1401 to 1700 hours; (44) - 1701 to midnight. Daily cleaning prices are set on the basis of the valuation point, a short period of time only elapses before prices become obsolete.

ملکنا امیر

1

Holborn 1st St San	6	52.50	79.40	417.16.7	Pooled Position 6	31.5	52.29.6	153.5	126.11	7.1
Holborn Japanese	6	132.81	80	463.03.0	Smelter Co Sec 4	31.52.10	53.87	56.73	166.12.24	
Holborn With Amer	6	96.40	90.40	163.10						
Holborn Pacific Mkt	6	50.43	31.20	54.75						
Holborn Premier Inc	6	44.13	70.11	43.94						
	6	70.28	70.28	75.16						

Singer & Friedlander UT Mgmt Ltd 4200000
 24 New Street, Birmingham B1 2EQ 0121 429 000

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Fund Management (1,000)F		Sovereign Unit Trf. Ings Ltd (1,000)F	
Inc. Load	280.5000	12 Carlsbad City, Bonmore	0288 5000
Exp. Ratio	0.18	Cash	51.04 51.04 51.51 51.51
Acc. Ratio	0.18	Conv. Prm	51.51 51.51 51.51 51.51
Inc. Ratio	0.18	Unl. Inc.	51.51 51.51 51.51 51.51
Chg. Ratio	0.18	Inc. Growth	51.51 51.51 51.51 51.51
Chg. Ratio	0.18	Inc. Growth	51.51 51.51 51.51 51.51

Mar. 6	39.54	58.22	59.30	59.52	21
Apr. 6	34.00				
May 6	33.20				
Jun. 6	33.20				
Jul. 6	33.20				
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Sep. 6	33.20				
Oct. 6	33.20				
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Aug. 12	33.20				
Sep. 12	33.20				
Oct. 12	33.20				
Nov. 12	33.20				
Dec. 12	33.20				
Jan. 13	33.20				
Feb. 13	33.20				
Mar					

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	Pro American acc.	Far East Acc.	European Acc.
79 1814032	34 86	30 81	33 54
	15 04	40 89	33 23
	37 23	43 39	37 44
	-0.2	+0.1	+0.1
	79 43	79 64	79 71

Heritage.....	302.1	317.9	63	-	Wells Fargo Bank, Washington Field, W. Journal	1000000	1000000
PE Carones.....	401.6	422.7	63	-	First Finance.....	283.51	283.51
					Landmark Secs.....	86.71	86.71

12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006	12/31/2005	12/31/2004	12/31/2003	12/31/2002	12/31/2001	12/31/2000	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994	12/31/1993	12/31/1992	12/31/1991	12/31/1990	12/31/1989	12/31/1988	12/31/1987	12/31/1986	12/31/1985	12/31/1984	12/31/1983	12/31/1982	12/31/1981	12/31/1980	12/31/1979	12/31/1978	12/31/1977	12/31/1976	12/31/1975	12/31/1974	12/31/1973	12/31/1972	12/31/1971	12/31/1970	12/31/1969	12/31/1968	12/31/1967	12/31/1966	12/31/1965	12/31/1964	12/31/1963	12/31/1962	12/31/1961	12/31/1960	12/31/1959	12/31/1958	12/31/1957	12/31/1956	12/31/1955	12/31/1954	12/31/1953	12/31/1952	12/31/1951	12/31/1950	12/31/1949	12/31/1948	12/31/1947	12/31/1946	12/31/1945	12/31/1944	12/31/1943	12/31/1942	12/31/1941	12/31/1940	12/31/1939	12/31/1938	12/31/1937	12/31/1936	12/31/1935	12/31/1934	12/31/1933	12/31/1932	12/31/1931	12/31/1930	12/31/1929	12/31/1928	12/31/1927	12/31/1926	12/31/1925	12/31/1924	12/31/1923	12/31/1922	12/31/1921	12/31/1920	12/31/1919	12/31/1918	12/31/1917	12/31/1916	12/31/1915	12/31/1914	12/31/1913	12/31/1912	12/31/1911	12/31/1910	12/31/1909	12/31/1908	12/31/1907	12/31/1906	12/31/1905	12/31/1904	12/31/1903	12/31/1902	12/31/1901	12/31/1900	12/31/1899	12/31/1898	12/31/1897	12/31/1896	12/31/1895	12/31/1894	12/31/1893	12/31/1892	12/31/1891	12/31/1890	12/31/1889	12/31/1888	12/31/1887	12/31/1886	12/31/1885	12/31/1884	12/31/1883	12/31/1882	12/31/1881	12/31/1880	12/31/1879	12/31/1878	12/31/1877	12/31/1876	12/31/1875	12/31/1874	12/31/1873	12/31/1872	12/31/1871	12/31/1870	12/31/1869	12/31/1868	12/31/1867	12/31/1866	12/31/1865	12/31/1864	12/31/1863	12/31/1862	12/31/1861	12/31/1860	12/31/1859	12/31/1858	12/31/1857	12/31/1856	12/31/1855	12/31/1854	12/31/1853	12/31/1852	12/31/1851	12/31/1850	12/31/1849	12/31/1848	12/31/1847	12/31/1846	12/31/1845	12/31/1844	12/31/1843	12/31/1842	12/31/1841	12/31/1840	12/31/1839	12/31/1838	12/31/1837	12/31/1836	12/31/1835	12/31/1834	12/31/1833	12/31/1832	12/31/1831	12/31/1830	12/31/1829	12/31/1828	12/31/1827	12/31/1826	12/31/1825	12/31/1824	12/31/1823	12/31/1822	12/31/1821	12/31/1820	12/31/1819	12/31/1818	12/31/1817	12/31/1816	12/31/1815	12/31/1814	12/31/1813	12/31/1812	12/31/1811	12/31/1810	12/31/1809	12/31/1808	12/31/1807	12/31/1806	12/31/1805	12/31/1804	12/31/1803	12/31/1802	12/31/1801	12/31/1800	12/31/1799	12/31/1798	12/31/1797	12/31/1796	12/31/1795	12/31/1794	12/31/1793	12/31/1792	12/31/1791	12/31/1790	12/31/1789	12/31/1788	12/31/1787	12/31/1786	12/31/1785	12/31/1784	12/31/1783	12/31/1782	12/31/1781	12/31/1780	12/31/1779	12/31/1778	12/31/1777	12/31/1776	12/31/1775	12/31/1774	12/31/1773	12/31/1772	12/31/1771	12/31/1770	12/31/1769	12/31/1768	12/31/1767	12/31/1766	12/31/1765	12/31/1764	12/31/1763	12/31/1762	12/31/1761	12/31/1760	12/31/1759	12/31/1758	12/31/1757	12/31/1756	12/31
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■ Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak ahead of CPI

A SMALLER than expected rise in August US producer prices had little impact on the dollar's weak dollar yesterday. The foreign exchange market was waiting for today's US consumer price index to confirm that inflationary pressure has eased and also for a possible easing of Federal Reserve monetary policy.

Mr Wayne Angell, a Federal Reserve Board governor, said US was making progress towards price stability, but declined to make a specific comment about the 3 per cent increase in the August CPI. Analysts expected a rise of 3.5 per cent and forecast applications for weekly unemployment benefit of 2.5 million, but this figure was also slightly lower at 2.4 million.

Today's figures are expected to show that August consumer prices rose at an unchanged 0.3 per cent and the year-on-year inflation fell to 3.8 from 4.4 per cent.

The dollar's performance of the dollar is likely to depend on the reaction of the Federal Reserve. A cut in the Federal funds target level of 5 per cent is likely to have more impact than a reduction in the 5 per cent US discount rate.

At the London close the dollar had fallen to \$1.1345 from \$1.1340; the yen to ¥147.70 from ¥147.90.

C IN NEW YORK

Sep 12	Low	High	Prev
1000	173.5-173.8	173.5-173.8	
1000	173.5-173.8	173.5-173.8	
1000	173.5-173.8	173.5-173.8	

Forward premiums and discounts apply to the US dollar

STERLING INDEX

Sep 12	Low	High	Prev
1000	91.2-91.3	91.2-91.3	
1000	91.2-91.3	91.2-91.3	
1000	91.2-91.3	91.2-91.3	

Commercial rates taken towards the end of London trading. See separate forward dollar 3.54-3.56, 3.58, 3.60, 3.62, 3.64, 3.66, 3.68, 3.70, 3.72, 3.74, 3.76, 3.78, 3.80, 3.82, 3.84, 3.86, 3.88, 3.90, 3.92, 3.94, 3.96, 3.98, 4.00, 4.02, 4.04, 4.06, 4.08, 4.10, 4.12, 4.14, 4.16, 4.18, 4.20, 4.22, 4.24, 4.26, 4.28, 4.30, 4.32, 4.34, 4.36, 4.38, 4.40, 4.42, 4.44, 4.46, 4.48, 4.50, 4.52, 4.54, 4.56, 4.58, 4.60, 4.62, 4.64, 4.66, 4.68, 4.70, 4.72, 4.74, 4.76, 4.78, 4.80, 4.82, 4.84, 4.86, 4.88, 4.90, 4.92, 4.94, 4.96, 4.98, 5.00, 5.02, 5.04, 5.06, 5.08, 5.10, 5.12, 5.14, 5.16, 5.18, 5.20, 5.22, 5.24, 5.26, 5.28, 5.30, 5.32, 5.34, 5.36, 5.38, 5.40, 5.42, 5.44, 5.46, 5.48, 5.50, 5.52, 5.54, 5.56, 5.58, 5.60, 5.62, 5.64, 5.66, 5.68, 5.70, 5.72, 5.74, 5.76, 5.78, 5.80, 5.82, 5.84, 5.86, 5.88, 5.90, 5.92, 5.94, 5.96, 5.98, 6.00, 6.02, 6.04, 6.06, 6.08, 6.10, 6.12, 6.14, 6.16, 6.18, 6.20, 6.22, 6.24, 6.26, 6.28, 6.30, 6.32, 6.34, 6.36, 6.38, 6.40, 6.42, 6.44, 6.46, 6.48, 6.50, 6.52, 6.54, 6.56, 6.58, 6.60, 6.62, 6.64, 6.66, 6.68, 6.70, 6.72, 6.74, 6.76, 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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on next page

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NASDAQ NATIONAL MARKET 3:00 pm prices **12**[illegible]3:00  prices September [illegible]

HUNGARY

The FT proposes to publish this survey on **October 30 1991**. 54% of Chief Executives of Europe's largest companies read the FT. If you want to reach this important audience by advertising in this survey, call Patricia Surridge on 071 873 3426 or Fax 071 873 3079

Source: Chief Executive b

FT SURVEY

RECRUITMENT

JOBS: Refreshingly unfashionable slant on what it takes to rise to the executive heights

Real-life management 'a system of power'

HAVE you heard of the two men who first met in the corridors of a London office? One was a trainee naval officer, the other a trainee civil servant. They met in the corridors of a London office, and they met again in the corridors of a London office. They met in the corridors of a London office, and they met again in the corridors of a London office. They met in the corridors of a London office, and they met again in the corridors of a London office.

Both ended up as Admirals. I owe that career-parable to serendipity. There I was at a bus stop, beside which was a junk shop, outside which was a tray of books all priced at 50p. The only one still in its paper cover was called *The Boss*, and I bought it on impulse as the bus approached.

Several days passed before I began reading, and discovered my luck. For instance, one of the two authors turned out to be Britain's foremost student of what managers do in reality - as distinct from what egg-head theory ordains they should do - Rosemary Stewart, now of Templeton College, Oxford. The second author is one of the doyens of British journalism, Roy Lewis who tells me he got the naval story from his late brother, an RN captain.

Another happy surprise was that, although the book was published a third of a century ago,

in its observations seem remarkably up-to-date. Apart from antique pay and tax figures, only jarring sign of age is failure to admit that managers can be female, referring to them throughout as "business men".

It compensates for being unfashionably frank about what's needed to get on in management, especially in big outfits. Indeed it is so frank that, were I writing for anyone less life-hardened than Jobs column readers, I wouldn't have the heart to pass the message on.

The tale I began with is but one of many warnings that the qualities needed for high promotion. More probably, they are a handicap.

For the authors stress that the managers discussed by *The Boss* are the life and more than the life of the business. *The Boss* is not a purely competitive game. It is a game of power, a hierarchy of positions in which

top executives' ambitions may well clash with the best interests of the companies they run.

The typical boss's prime motive is a mission "to mould other men into a pattern of his own", we're told. "In fact, one of the major outlets for business ability is not building a business but capturing command of a business which has already been built, and which, by its size and momentum and its firm grip on its own specialities, may be virtually indestructible in one autocrat's lifetime."

What is more, medical evidence suggests that "among those in senior positions in an organization, the tendency to hold on to power is apt to increase as that capacity diminishes."

Meanwhile, "it is almost always to their advantage to keep their mouths shut about how the power was won. The reason is that there will typically have been times when the autocrat has had to repeat to himself Cromwell's words 'regrettable necessity' as he sacrifices friends, betrays confidences, turns the screws with threats, unmasks unexpected

batteries of blackmail, into which with men he despises and regards as wholly disastrous the company."

Which is surely enough to convey the book's broad view of how people get on in management. The trouble is that, not being a top executive myself, I can't say whether the analysis is right. But it is a refreshing change from the standard careers and recruitment literature.

NOW to the table alongside which is drawn from Day *The Boss* latest quarterly survey of pay and perks in nearly 90 banks in the City of London. Anyone wanting the full report, which covers 204 jobs, should write to: Clark at Suite 231, 75 Whitechapel Rd, London E1 1DU; tel 071-253 1397, fax 071-375 1397. The price is £110, and non-participants £175, in each case plus VAT.

My table is based on a fairly senior job. First quartile salaries - the person a quarter way up from the foot of a ranking of all in the

same type of work, the median to the person mid-way, and the upper quartile the one a quarter way down from the top. Next we have the average salary followed by the percentage of it typically received as an additional bonus. Then come the perks of the job-holders

perks include a company car and its average price. Mr Clark says that, while "snapshots" of specific jobs fail to show it, pay levels in City banking are coming down in the sense that overall increases are running at a rate lower than inflation.

That mean real-value cuts are being made in the base salaries of staff who have survived the recession, although reduced bonuses have left a fair number worse off as a whole. What is happening is that, when essential jobs are left by departures or promotions, the replacements are being brought in at lower pay - the Parable of the Vineyard.

Michael Dixon

Position	Lower quartile	Median salary	Upper quartile	Average salary	Avg bonus	Coy car	Avg price of car
	£	£	£	£	%	%	£
Capital markets head	96,000	122,701	150,000	117,400	48.7	100	21,750
Bond sales head	100,000	105,800	127,950	117,400	32.8	100	17,125
Corporate treasurer head	95,000	115,000	120,750	106,150	21.2	100	17,125
Eurobond trading head	80,000	100,000	105,750	100,625	14.3	100	19,150
Equity trading head	75,000	95,000	100,000	92,517	17.1	100	17,125
Head of research	70,000	85,000	90,000	81,750	12.3	100	17,750
Cpt mkt's head	65,000	80,000	85,000	77,326	51.7	100	17,900
Fund management director	65,000	82,360	105,700	84,912	10.4	100	21,500
Financial director	65,000	72,613	82,250	72,588	10.4	100	21,500
Chief of staff	64,750	71,000	80,210	72,313	41.2	98	17,875
Legal counsel	48,000	62,040	76,540	60,228	10.7	100	17,875
Personnel director	57,750	63,500	80,000	61,752	14.3	100	17,875
D-P	50,125	57,750	65,000	58,338	10.4	100	19,375
Chief sterling	42,501	47,613	55,250	48,752	17.7	95	16,927
Credit manager	37,000	39,500	44,000	41,957	6.2	95	15,285

OPTIONS DEALER

City c£70,000 + benefits

An international 'blue chip' organisation seeks to recruit a Metals Option Trader to develop its all metals option book.

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12 Wolf Court, London W11 9DN. Telephone 071-248 3812. Fax 071-489 9323. Management Consultants - Global Search

Astaire Partners Limited, Stockbrokers

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Excellent package available to right applicant. In instance please call Philip Argheant in London

on 071-283 1111

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A pure credit role for well experienced analyst to join developing international bank. It is anticipated that the successful recruit will have c10 years corporate credit experience gained within a similar organization.

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London

Opportunity for a fully experienced limited liability specialist to take a lead role with a bank that has the worldwide resources and commitment to back its technical excellence in U.K. project finance.

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- World-class international commercial bank with large and long established London presence.
- Highly rated. A powerful and respected lender.
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- The senior role is a small team of specialists with an active and broadly based project lending book across all sectors.
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- Control of sophisticated risk analysis and credit approval process.

QUALIFICATIONS

- Graduate banker with extensive experience of pure project finance with either a lender or an adviser.
- Thorough credit skills, sound knowledge of documentation and modelling and record of successfully closing transactions.
- A senior transaction who can win mandates and develop a sound earnings stream.

Please write, enclosing full cv, to: BK3504 NBS, Bennetts Hill, Birmingham, B2 5ET

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City

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THE ROLE

- Reporting to the General Counsel who has charge of all legal affairs of the Stock Exchange. Direct responsibility for major assignments and for the management of a fully involved legal department.
- Applying practical and sound legal knowledge to produce innovative responses to a varied caseload.
- Working closely with departments within the organisation building effective relationships with agencies.

THE QUALIFICATIONS

- Solicitor, probably mid-thirties, admitted for around 10 years. Corporate finance or compliance experience within financial services or a commercial organisation in private practice.
- A committed approach with the ability to gain credibility across the organisation.
- Demonstrable motivator, leader and achiever with hands on style.

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Please reply, enclosing full details to: Selector Europe, Ref 1111, 16 Connaught Place, London, W2 2ED 071-973 0889

DERIVATIVES SPECIALIST

GLOBAL FUND MANAGEMENT

COMPACT FIRM - CHALLENGING ENVIRONMENT

We are the autonomous global investment management subsidiary of a major US international financial institution. Of total funds under management, currently c. \$1.5bn in multicurrency fixed income portfolios.

In view of anticipated expansion, a high calibre investment professional is sought to join a four-person team and participate in all aspects of the fixed income investment process which is driven by a disciplined, highly quantitative, computer-based methodology. The successful applicant will have global expertise in the utilisation of derivatives in an overall investment strategy. This will include a thorough understanding of the appropriate trading principles and the valuation models for derivatives products.

Educated to degree or MBA and computer-literate, the ideal candidate will be aged 28/35, have several years of relevant experience in a research, trading or fund management capacity and will be of the calibre to thrive in an entrepreneurial and creative atmosphere. Determination, enthusiasm and the ability to work effectively in a team are essential.

Salary and benefits are excellent. Interested applicants should write with full cv. to:

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London

Opportunity for a bright, numerate associate to grow in this quality international financial services company. Career prospects are outstanding within a structured management training programme.

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THE POSITION

- Drive the investment process through objective and thorough analysis of transactions.
- Considerable client contact with direct responsibility for transaction analysis, structuring and closure.

- Critical role in the investment management with a high level of responsibility and autonomy.

QUALIFICATIONS

- Ideally a graduate with an MBA, ACA and/or Bank credit training, aged 25-32, with excellent analytical and presentation skills.
- A background in industry finance demonstrating maturity, an independent mind and attention to detail.
- Fully conversant with the analysing, structuring and documenting of transactions. P.C. and proven financial modelling skills essential.

Please write enclosing full cv, Ref K3003 54 Jermyn Street, London, SW1Y 6LX

SELECTION

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INVESTMENT MANAGEMENT EUROPEAN EQUITIES

The opportunity for a young fund manager, analyst or broker to join a leading international fund management firm with prime responsibility for European equities.

The company is the growing investment management arm of one of the world's largest banks. Funds managed from London are invested in all of the major international markets mainly on behalf of institutional investors.

This position carries responsibility for investments in continental Europe, mainly France, Germany, Switzerland and Netherlands. In addition management of investments you may also have responsibilities for liaison and reporting to investors.

Our preference is to appoint a candidate with at least two years experience of

investment management in these European markets. However we will also consider young fund managers with more limited European experience or analysts/brokers who have covered these markets. The company offers a fully competitive salary and benefits package as well as the opportunity to be a member of a successfully growing business.

To apply please write to:

John Sears & Associates, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP. Fax 071-222 3445 or telephone 071-222 7733.

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£75-100,000

An exciting opportunity within this major
organisation for an experienced marketing
professional of swaps and other OTC derivatives.
You will be marketing to corporate investors in
Europe, particularly Germany and France and will
be advising clients and structuring transactions. A
minimum of 3 years experience in marketing with
good derivatives knowledge and fluency in German
and/or French is essential. Proven access to a client
base of European investors is preferable.

Please contact Nigel Hawthorn on 071 1266.

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£50-70,000

On behalf of a major international bank we wish to
appoint a high calibre bond options market maker/
trader to cover the major European currencies
(Bunds, Oats, Cils, etc.) The successful candidate,
aged 25-30 years should have a strong academic
background together with at least two years relevant
work experience.

Please contact Timothy Sheffield on
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This requirement represents a major career
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applicant will have a substantive record in
discretionary portfolio management and be
experienced in dealing with advisory clients. Good
marketing/business development skills essential
and a European language desirable. Applicants
are also sought for other private banking
appointments within salary range £30-60,000.

Please contact Norma Given on 071-623 1266.

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JONATHAN WREN

Banking Operations

London

c£50,000 Package

Our client, the London branch of an established
and well respected European Bank, is actively
developing the business and sophistication of treasury
activities. Expansion arises both from business
and an increase in funds placed by the Group
through its London treasury operations. To ensure
a fully professional approach to growth in activity,
a position is being introduced, reporting
directly to the General Manager.

The Senior Operations and Administration
Manager will be a key member of the London
management team, with responsibility for all back
office functions, systems and administration, and
will play a full role in the future development
of the business. The candidate we seek must
have an excellent track record in back office

operations and relevant management experience in
all these areas together with a good understanding of
capital markets, treasury and market
transactions.

This is a participative, demanding role and requires
the ability to motivate and develop staff. Strong
interpersonal skills, maturity and a long term
commitment are essential in this appointment. A
working knowledge of French is also desirable.

Successful applicants should send a full Curriculum
Vitae quoting reference WJ to Diane Forrester
ACA, Executive Selection Division,
Michael Page Finance,
Page House,
39-41 Parker Street,
London WC2H 5LH.



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LONDON

£28,000-£42,000

LEADING FIRM OF INTERNATIONAL REINSURANCE BROKERS

We invite applications from candidates aged 25-35 with at least 3 years' successful practical reinsurance
experience with a good understanding of treaty reinsurance. A knowledge of credit/bonding/mortgage insurance
will be an advantage but not essential. Training will be provided where necessary. The successful candidate will
be responsible for placing the reinsurance business mainly in Continental Europe, the London market and Lloyd's,
and will be assisting as part of a team in the production of new business, construction of reinsurance programmes
and liaising closely with the firm's overseas offices. Up to 15% bonus is likely. The ability to maintain priorities
and to negotiate patiently but effectively is important. Initial salary negotiable £28,000-£42,000 + bonus + car,
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CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 11 LONDON WALL BUILDINGS, LONDON WALL,
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£20k - £35k PLUS CAR PLUS BANK BENEFITS

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The corporate development function is to expand its operations by appointing 4
consultants and 1 senior consultant. The successful candidates will play a vital role in the overall
development of all the group's activities. These influential positions offer excellent prospects for
future career development within this progressive organisation.

Applicants will be Graduate or MBAs ideally with practical business experience and 3 or more
years' involvement in areas such as corporate planning, business analysis and strategic costing,
preferably within a consulting or financial services company.

Interested parties should, in the first instance, submit CVs to:

Chris Devonshire-Elis, FRS
1 - 3 St. Colme Street, Edinburgh EH3 6AA.
Telephone: 031 220 8225. Fax: 031 225 4100.

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Applications will be treated in the utmost confidence.

Senior Investment Advisor

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Attractive salary + excellent benefits, in premier international bank

The London-based Private Banking Division of the Union Bank of Switzerland is engaged in a challenging
expansion programme, designed to capitalise on the City's premier position in financial markets and on the
UBS Group's strong position in the market place. In Private Banking, we offer investment advice and
discretionary management on a global basis, to high net worth clients who are attracted by the Triple 'A'
rating and our investment skills.

We are looking for an additional Senior Advisor to take responsibility for our existing client base in the
Americas and in Southern Europe. The position calls for a high level of professional, inter-personal and
social skills. Candidates should be investment professionals of the highest calibre, fluent in Spanish and
French as well as English, and able to demonstrate five years' relevant experience. They will be expected to
contribute to the formulation of investment ideas, in addition to their principal function of developing and
improving client relationships.

Please send full career details to
Sally Mew, Personnel Manager
Union Bank of Switzerland
100 Liverpool Street
London EC2M 2RH

**DIRECTORATE OF PUBLIC SERVICE
MANAGEMENT**

VACANCY CIRCULAR NO. 30 OF 1991

VACANCY: PRINCIPAL ROAD SAFETY OFFICER

Directorate of Public Service Management invites
applications for the above post in the Civil Service of
Botswana - Ministry of Works, Transport and Communications.

JOB SUMMARY:

Coordinates Road Safety activities to ensure an efficient
administration of the National Road Safety Programme.

SALARY: C1 - P38292 per annum

ALLOWANCES:

Contract allowance at the rate of 10% of the basic salary.

Contract addition - 12% of the basic salary.

Optional Contributory Medical Aid Scheme - 25% of gratuity
paid at the end of the contract (Government pays 50% and
employee 50%).

LEAVE: 30 working days per annum

QUALIFICATIONS:

Degree in Engineering plus eight years post graduate
experience three of which must be either in Managerial or
Planning position. Teaching experience will be an advantage.

OR

Degree in Education plus eight years post graduate
experience three of which must be either in managerial or
planning post. International course or Traffic Safety
Management would be an advantage.

APPLICATIONS:

Interested persons should submit their Curriculum Vitae to:

BOTSWANA HIGH COMMISSION
6 STARTFORD PLACE
LONDON W1N 9AE
UNITED KINGDOM

CLOSING DATE: 4 OCTOBER 1991

**DIRECTORATE OF PUBLIC SERVICE
MANAGEMENT**

VACANCY CIRCULAR NO. 34 1991

VACANCIES: QUANTITY SURVEYORS (2 POSTS)

The Directorate of Public Service Management
invites applications for the above post in the Civil
Service of the Republic of Botswana - Ministry of
Works, Transport and Communications.

JOB SUMMARY:

Undertakes a range of duties related to the
measurements preparation of contract documents and
financial control of Building projects.

SALARY: C2 - P20220 - P24336 per annum

ALLOWANCE: Contract addition at the rate of 10% of
the basic salary.

Optional contributory Medical
Aid Scheme (Government pays 50% and employee 50%)

Gratuity payable at end of the
contract at the rate of 25% of the
aggregate salary.

QUALIFICATIONS: Degree in Quantity Surveying
plus two years post
qualification experience and
cooperate membership of
Professional Body.

APPLICATIONS: Interested persons should
submit their Curriculum Vitae
to:

BOTSWANA HIGH COMMISSION - LONDON
6 STARTFORD PLACE
LONDON W1N 9AE

CLOSING DATE: 4th October 1991

**REPUBLIC OF BOTSWANA
DIRECTORATE OF PUBLIC SERVICES
MANAGEMENT**

VACANCY CIRCULAR NO. 31 OF 1991

REF: L17591

DATE: 12th June, 1991

VACANCIES: STRUCTURAL ENGINEER (2 POSTS)

Directorate of Public Services Management invites
applications for the above post in the Civil Service of the
Republic of Botswana - Ministry of Works, Transport and
Communications.

JOB SUMMARY:

Provides professional advice, guidance and supervision
on all matters related to design and construction of
Civil/Structural Engineering Works and all Government
Building Projects.

SALARY: C2 - P20,220 - P24,336 per annum

ALLOWANCE: Contract addition at the rate of 10% of
the basic salary.

- Optional contributory Medical Aid
Scheme (Government pays 50%
and employee 50%)

- 25% gratuity payable at the end of
the contract.

LEAVE: 30 working days per annum.

QUALIFICATIONS:

Bachelor's degree in Civil/Structural Engineering plus eight
years post qualification experience and masters degree
and/or membership of any recognised professional
institution.

APPLICATIONS:

Interested persons should submit their Curriculum Vitae to:

BOTSWANA HIGH COMMISSION - LONDON
6 STARTFORD PLACE
LONDON W1N 9AE

CLOSING DATE: 4th October 1991

**REPUBLIC OF BOTSWANA
DIRECTORATE OF PUBLIC SERVICE
MANAGEMENT**

VACANCY CIRCULAR NO. 34 1991

REF: L17592

DATE: 12th June, 1991

VACANCY: SENIOR QUANTITY SURVEYOR

Directorate of Public Service Management invites
applications from suitably qualified persons for the
above post in the Civil Service of the Republic of
Botswana - Ministry of Works, Transport and
Communications.

JOB SUMMARY:

Undertakes a range of duties related to the
measurements preparation of contract documents and
financial control of Building projects.

SALARY: D4 - P30552 - P33168 per annum.

ALLOWANCE: Car allowance at the rate of 15%
of the basic salary.

Optional contributory Medical
Aid Scheme (Government pays
50% and employee 50%)

Contract addition at the rate of
20% the basic salary.

QUALIFICATIONS: Degree in Quantity Surveying
plus eight years post
qualification and membership
of a recognized professional
institution and/or Masters
degree/Diploma.

APPLICATIONS: Interested persons should
submit their Curriculum Vitae
to:

BOTSWANA HIGH COMMISSION - LONDON
6 STARTFORD PLACE
LONDON W1N 9AE

CLOSING DATE: 4th October 1991

Handwritten signature

ASSISTANT FUND MANAGER

Swiss Bank Corporation is a AAA rated international bank providing fully integrated investment and commercial banking services to clients through its global network.

Our Private Clients division, based in London SW1, enjoys a high reputation for the quality of its services and has achieved significant success both in the UK and overseas. Continued growth has created the need for an additional professional within the investment management group.

You will be a graduate with at least two years' experience in private clients investment management or a related area such as institutional fund management. A comprehensive understanding of both the international fixed income and equity markets is essential, together with computer

literacy and good analytical skills.

This position offers excellent scope for career advancement within one of Europe's most prestigious financial institutions. An attractive salary will be offered augmented by a full range of banking benefits.

Please write with full personal and career details to:

Steven G Ward,
Human Resources Department,
Swiss Bank Corporation,
Swiss Bank House,
1 High Timber Street,
London EC4V 3SB.

Swiss Bank Corporation
Schweizerischer Bankverein
Société de Banque Suisse

Leopold Joseph



CORPORATE FINANCE EXECUTIVE

Leopold Joseph & Sons Limited has a growing Corporate Finance business and wishes to recruit an executive to join its team. Aged 30 something, the executive will have a strong personality and high energy levels together with first class qualifications, skill and experience. He or she will have an excellent track record as a corporate finance professional. The ability to manage transactions and produce new business will be essential.

Remuneration is negotiable, and will have a performance related element. Please write, enclosing a full CV.

Charles Cary-Elwes,
Head of Corporate Finance
Leopold Joseph & Sons Limited
27 Gresham Street
LONDON EC2V 7EA.

Member of IMRO

PROJECT FINANCE

Senior Specialist

Excellent Package

County NatWest, the investment banking arm of National Westminster Bank, is looking to expand its capability in Project Finance advisory assignments. The bank, therefore, wishes to recruit a senior specialist to join a small but growing team that complements and works closely with the well established Project Finance unit in the parent bank.

The ideal candidate will be in his or her 30's and will have at least five years' experience as either a lender or adviser in the financing of international non-recourse projects. This specialist will have a strong technical and analytical background and will have played a key role in several completed transactions. Since the successful candidate is also expected to be the principal point of contact with a number of existing or potential clients, proven diplomatic, marketing and presentation skills are just as essential.

Applicants should respond to Ian Carlton,
Director, Personnel, County NatWest Limited,
135 Bishopsgate, London EC2M 3UR.

COUNTY NATWEST

The NatWest Investment Bank Group

"TREASURY" SALES DESK

Wholesale Funding Age 25 - 35
Do you have the proven track record and steady, consistent persistence to join the sales team of the wholesale banking arm of a group with outstanding results, an excellent credit rating, long term stability and international scope?

The desk's primary function is to sell the Bank's funding requirement, mainly in Sterling, US dollars and ECU's. It will extend the highly active and forward looking marketing and selling operations of the existing team and will focus the selling of defined instruments into a full time specialist activity.

Reporting to the Head of Treasury Marketing & Sales, the successful candidate will work closely with the Marketing Officers who are building bank relationships, targeting high quality depositors and effective product design.

Candidates must have directly applicable sales experience gained in a reputable bank covering domestic and international markets. A knowledge of non-banking institutions, fund managers and corporate treasury lenders is an advantage and degree level qualifications are expected. Success will be judged on the quality and timeliness of deposits gathered and the strength of relationships established.

Salary is in a range from £24,000 plus other banking benefits. Please forward a full curriculum vitae in complete confidence to Peter Willingham quoting reference number 285.

KIDSONS · IMPEY

Strategic planning

Barclays de Zotte Wedd is a leading international investment banking group operating as a global intermediary and adviser between major issuers and investors in the markets for capital and corporate control.

The position

This is a key role reporting to the Head of Strategic Planning. A small team is being formed to work closely with senior management in formulating group policies and strategies to achieve its and its clients' long-term interests.

The candidate

- five years experience in a strategic planning, corporate development or strategy consulting role, and/or
- related experience in investment banking/financial markets
- strong intellectual, analytical and presentational skills

Remuneration

Will be commensurate with this important appointment.

Applicants should write enclosing a full cv to:

Sandra Curtis, Head of Recruitment,
Personnel Division, Barclays de Zotte Wedd,
Ebbgate House, 2 Swan Lane,
London EC4R 3TS

EUROMONEY

CONFERENCE MANAGER

Euromoney, the world's leading financial information company, is seeking to recruit a Conference Manager for its growing international conference business.

This is primarily a Sales position for a competent marketer who will be required to research, develop and sell international marketing services to senior personnel in financial institutions.

Applications are invited from graduate aged 25-35 with an extensive knowledge of the international financial markets, a sales background and a language ability. An attractive remuneration package will be offered to the successful candidate.

Please write to:
Diane Chaplin
Director of Administration & Personnel
Euromoney Publications Plc
Nesher House, Playhouse Yard, London EC4V 5EX

OUR CLIENTS ARE SUCCESSFUL, DISCERNING AND POWERFUL. COULD YOU TALK TO THEM AS AN EQUAL?

Join the Financial Services in St James as an Adviser, and straight away you have the key to success. We provide a level of training, administrative support and marketing back up which is second to none.

With prestigious, modern offices in the heart of St James, we use the Group's premier division, boasting one of the most respected teams in the industry. Whatever your background, if you have the energy, commercial acumen and determination to achieve results we'll give you the chance to build your own client list and start earning what you are actually worth.

If you have a burning desire to succeed talk to the experts.

Call Mike Crowe, Divisional Manager, Hill Samuel Financial Services, 29 Queen Anne's Gate, London SW1H 9BU. Tel: 071 222 4838

GENERAL MANAGER, CONSTRUCTION INDUSTRY

I seek a position within the construction industry of a company with Middle East operations. Female Chartered Civil Engineer, MBA, tri-lingual, 15 years experience.

Tel: 011 44 181 611 0111 or 011 44 181 611 0112
11631, Elmwood Times,
One Southway Bridge,
London SE1 9HL

CORPORATE FINANCE

U.K. Bank with a corporate finance division needs

Working in a wide range of transactions, you will also be expected to contribute to new business development and to the transaction strategy overall.

Please send your CV in complete confidence to Box A1632, Financial Times, One Southway Bridge, London SE1 9HL Ref: GS

CREDIT SCORECARD MANAGEMENT, PLANNING AND SYSTEMS

Birmingham Age 35-40 c£35,000 + Bonus + Car

Our client is a major Finance House and a substantial autonomous part of a major clearing bank. It has a balanced portfolio of activities with major interests in Lending, Asset backed Finance, Factoring, Motor and Consumer Finance. Due to a combination of re-organisation and the retirement of the existing incumbent, they are seeking to appoint a Senior Manager for a team responsible for providing the Board and Management of the Group with:

- Specialised scorecard knowledge/decision systems and the development thereof
- Development of collections systems and practices in the consumer finance industry
- A high standard of Management Information through portfolio analysis

Support to achieve a balanced portfolio of quality risk

Inter-personal skills are of key importance due to a need to develop strong relationships with the senior individuals providing Forward Trust's product services to its customer base. The successful incumbent will report direct to the Group Director and Head Director.

An excellent package will be offered including a usual financial sector rewards, a quality car and full pension where required.

Interested candidates should apply to:
Adrian Whelan, AFMA, ACTE,
Wheale Thomas Hodges PLC,
9 Unity Street, Colgate Green,
Bristol BS1 5HH.



WHEALE THOMAS HODGES PLC

Convertible Analyst

London Based

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Our client is one of the largest and most international of the UK based investment banking groups. A world leader in corporate finance and investment management, its securities operations span the globe, providing financial services to institutional clients.

They are one of the top issuing houses of Euro Convertibles and are looking for a Convertible Analyst to provide statistical and fundamental research support to their salesmen.

Candidates, ideally in their late 20s or early 30s, should have a knowledge and understanding of convertibles in equities or bonds.

The total rewards package includes a highly competitive salary, performance related bonus and an attractive range of benefits.

Please send your CV/career history to: Paul Hopper, The Response Bureau, 30 Farringdon Street, London EC4A 3EA. quote Ref: S0701/2 on your envelope.

Please indicate, in a covering letter, any companies you would prefer your application to be forwarded to.

Barkers LBW

COMMERCIAL BANK SAUDI ARABIA

BRANCH INSPECTOR

A Saudi Arabian Commercial Bank seeks to appoint a Senior Branch Inspector to be based at its Saudi headquarters. Extensive travel throughout the Kingdom will be required. Experience of a broad range of international banking activities is necessary.

To qualify for this challenging opportunity, you must have a professional qualification and at least 10 years' experience.

BRANCH BANKERS

This Commercial Bank also seeks applications from candidates aged 26 to 38 years with broad experience of branch banking, including lending, foreign exchange and trade finance at a branch level.

The applicants will be posted to Bank's major branches in the Saudi Arabia and will be required to handle both domestic and international banking in conjunction with existing management.

REMUNERATION

The remuneration for both the above posts will be generous, based upon the normal expatriate package associated with a 2 year renewable contract, including relocation expenses, staff housing and for regular home visits.

Please send your CV, in 3 instances, to P.O. Box A1635, Financial Times, One Southway Bridge, London SE1 9HL in complete confidence.

Futures

Desk Manager

The Financial Futures Broking House has a requirement for a high calibre Manager. The successful candidate aged in his/her late 20s to mid 30s must have a minimum of five years' experience of broking Financial Futures and an institutional client base. A good knowledge of London, US and Chicago Fixed Income contracts is essential, as is previous management experience. Candidates of graduate calibre should be capable of effectively handling existing and new business development.

Financial Futures Trader - Madrid c.£40,000 Plus Profit Share
On behalf of a Spanish Merchant Bank, we are seeking a young Futures Trader, aged 25-30, with a proven track record to join the Madrid Head Office. Candidates should be highly disciplined technical traders, able to trade principally in LIFFE and MATIF products as a proprietary bank. Candidates must have good communication skills and also be able to educate and advise the Bank's Corporate clients on the use and applications of Futures and Options for trading and hedging purposes. For the recent fluency in Spanish is preferable but not absolutely essential.

Financial Futures Desk Broker Sal c.£40,000 Banking Bens + Car
A major international bank with a presence on LIFFE wishes to recruit an additional broker for its Sales/Broking Desk. The Bank is seeking a range of derivative products and seeks a Broker with good technical and sales skills, capable of developing and existing business. Candidates with less than three years' experience as an active Financial Futures Desk are unlikely to have the skills or experience to fulfil this role. Fluency in French, or German language is desirable but not essential.

Junior Desk Broker £20,000 + Banking Benefits
Our client is a well established and respected European institution, require a highly motivated individual to join their newly created Order Desk. The successful candidate must be of graduate calibre with approximately two years' experience in broking Financial Futures and fluent in French and/or German.

**EXCHANGE
appointments**

For further information please contact Trish Collins or Barbara Mackney on 071-929 2383.

Fourth Floor, No. 1 Royal Exchange Avenue, London EC3V 3LT.

SENIOR CREDIT ANALYST

Hessische Landesbank - Girozentrale - is one of the major German banks. The London Branch is well established and has been growing steadily over the years. The Branch wishes to recruit a highly qualified professional to augment the Credit Group.

The successful candidate should have excellent credit skills and at least four years broad experience. Good writing and presentation skills, experience with PC's and loan documentation are an advantage.

He/She will be able to use own initiative and also work effectively in a team. Knowledge of German is desirable.

Remuneration will be commensurate with the level of experience. Applications with full details of career history to date should be forwarded to:

The Personnel Officer
Hessische Landesbank - Girozentrale -
London Branch
8 Moorgate
London EC2R 6DD

All applications will be treated in strictest confidence.

Helaba Frankfurt
Hessische Landesbank - Girozentrale -
London Branch

FINANCIAL ANALYST

Sought by small, London based financial boutique. Position would suit part or newly qualified accountant with strong communications skills.

Send CV to PO Box A1633, Financial Times, One Southway Bridge, London SE1 9HL.

INTERNATIONAL M & A

Expanding international advisory firm with offices in 15 countries globally is seeking an entrepreneurial M&A professional with 3-5 years transaction experience to join its London office. Firm is a leader in middle-market, private equity.

Please send resume in confidence to us to obtain further information:
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Starting c. £28K + car + benefits

Thames Valley

Our client is part of a multinational group specialising in arranging of funding systems high technology equipment. Widely recognised leaders within their marketplace, they have undergone expansion and anticipate considerable future development both in the UK and abroad.

They require an Assistant Company Secretary with experience and commercial awareness to enable them to take responsibility for a major part of the secretarial requirements of the Group companies, control of company insurances and management of all building matters for their offices.

The ideal candidate will hold a recognised qualification from the Institute of Chartered Secretaries and Administrators, be aged 28/35 with a minimum of 3 years professional experience preferably within leasing or banking.

To achieve the desired level of performance you must be an effective communicator and have excellent organisational and management skills. This is a challenging role presents an opportunity for someone with potential for future development.

If you wish to apply, please write giving full details to David Hodge, (Ref. 123456) Resource Maximisation Southern Limited, 16 Prebendal Court, 16 Prebendal Road, Aylesbury, Bucks, HP19 8JY. Tel: (0296) 393913, Fax: (0296) 393914.

resource maximisation southern

CROSSBORDER LEASING Frankfurt

An established, respected, bank-backed leasing operation seeks to recruit an asset finance professional with an impressive record of success in both the German domestic and crossborder markets. Applicants, aged 28 to 35, will exhibit technical creativity, combined with strong negotiating skills and a knowledge of other tax related financial products. Working within a small team, the appointee will originate, structure and close transactions, sourcing equity and debt participants where appropriate. Fluent English and German are essential. The position offers a competitive basic salary, an attractive performance related bonus scheme and full banking benefits.

Please contact Peter Haynes

Jonathan Wren & Co. Ltd.,
Financial Recruitment Consultants,
No. 1 New Street, London EC2M 4TP
Tel No. 071-623 1266 Fax No. 071-623 1267

JONATHAN WREN LEASING

THE UNIVERSITY OF AUCKLAND

SENIOR LECTURERSHIP IN PROPERTY INVESTMENT
Department of Property
School of Architecture, Property & Planning
(Vacancy UAC.85)

Applications are invited from suitably qualified and experienced candidates for appointment as Lecturer/Senior Lecturer in Property Investment. The Department of Property has an establishment of six full-time and nine part-time staff. It is concerned with all aspects of urban property management and is looking to strengthen its teaching and research in the area of property investment at both the national and international level.

Applicants should have relevant qualifications and experience in both teaching and research. They should have a good understanding of finance, investment and statistics and should have an interest in developing the application of modern investment theory to property. Applicants should hold or undertake to work towards a PhD degree.

The successful candidate will be expected to collaborate in developing undergraduate and postgraduate teaching programmes in property management. Specific duties will involve the integration of computer applications to property investment and finance and to engage in and stimulate research.

Commencing salary will be established within the range: Senior Lecturer NZ\$52,000 - NZ\$60,944 pa; Lecturer NZ\$37,440 - NZ\$45,088 pa.

Conditions of Appointment and Method of Application are available from the University of Auckland, Private Bag, Auckland, New Zealand, to whom applications should be forwarded by 20 November 1991.

Please quote vacancy number UAC.85 in all correspondence.

The University of Auckland

An Equal Employment Opportunity Employer

Currency Options

On behalf of a well regarded European Bank currently seeking a currency options dealer to complement their existing desk. The candidate aged 31-39 will possess a minimum of eighteen months experience managing a major currency option book together with a profitable trading record.

Spot EMS Dealer

As a result of expansion this first class international Bank currently seeks an individual to establish a spot EMS desk. In addition possessing the trading expertise in this area the incumbent will also require the necessary leadership qualities in order to fulfil this demanding role.

Corporate Dealer

AAA rated European Bank currently has an opening for an additional corporate dealer. The incumbent is likely to be aged 25-35 and will be required to develop foreign exchange, treasury and off balance sheet business with principally corporate customers. Subsequently a minimum of two years experience in this area is a must and a prerequisite.

For further details, please contact Steve Cartwright either by telephone or in writing.

GORDON BROWN & ASSOCIATES LTD RECRUITMENT CONSULTANTS

5th Floor, 2 London Wall Buildings, London EC2M 5PP. Tel: 071-628 7601 Fax: 071-628 2738

Japanese Speaker

An individual with fluency in Japanese is currently sought by our client, a first class banking company. The appointee will have responsibility for developing currency options business with Japanese Banks and servicing their subsequent requirements. Ideal candidates will possess either a trading or sales type background and have gained familiarity with currency options or related instruments.

Swaps Trader

We currently seek to recruit a Currency Swaps and Interest Rate Swaps trader on behalf of two major international Banks. Prerequisites for both positions include a minimum of two years trading experience, strong analytical skills and the ability to work in a fast paced environment.

Senior Spot Dealer

A senior trader aged 28-34 and with a minimum of five years experience spot trading is currently sought by this respected international Bank. The appointee will be effectively on the desk and subsequently will require a consistent trading record together with the necessary leadership qualities in order to deputise for the Chief Spot Trader.

For further details, please contact Steve Cartwright either by telephone or in writing.

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Gordon Brown

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The Wormald Group offer many long term opportunities to the individual who can provide the right returns to the role.

The main requirements of the job are:

- Extensive experience in manufacturing and logistics
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- Probably aged under 40
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The position requires extensive travel; Wormald is operating companies in 14 European countries.

Write with resume to Wormald Europe, Attn: Viviane Vanovermeire, 60 rue de Stalle, B-1180 Brussels, Belgium.

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(in the UK Edition)

For further information, in North America please call:

JoAnn Gredell

on 212 752 4500

or write to her at

14 East 60th Street

New York, NY 10022

FINANCIAL TIMES

EUROPE & BUSINESS NEWSPAPER



Banking and Capital Markets

Barings wishes to recruit an executive with 2-3 years relevant experience for its Banking and Capital Markets department in London.

Candidates should be energetic, imaginative and able to communicate well. They will be aged 23-26, university graduates and possess a high degree of numeracy.

Salary will be negotiable according to experience and the package includes a performance related bonus and other benefits, including mortgage subsidy, commensurate with leading merchant bank.

Applicants should write, enclosing curriculum vitae and details of current remuneration package, to:

Sheila Milbank, Personnel Manager,

Baring Brothers & Co., Limited,

Bishopsgate, London EC2N 4AE.

INVESTMENT BANKER

Bank of Wales, a wholly owned subsidiary of Bank of Scotland, requires an experienced Investment Banker to work in the newly expanding Corporate Finance Division, based in the centre of Cardiff.

Reporting to an Executive Director, the successful candidate will be responsible for all aspects of placing equity investments in private unquoted companies. The role will also include responsibility for monitoring and controlling the Bank's investment portfolio, for helping to develop and market the Bank's mezzanine and junior facilities, assisting with the marketing and management of the Division's syndicated loans business, as well as providing some managerial support at operational level.

Applicants, ideally in their thirties, should possess good financial and analytical skills; a working legal knowledge; the ability to use a computer spreadsheet; and good interpersonal skills. Knowledge of the local business environment would be useful, but is not essential. The successful applicant will probably have a degree, an equivalent qualification, and be able to demonstrate a successful track record as a "self starter".

We can offer an excellent salary and benefits package including profit sharing, car and preferential mortgage.

To apply, please write for an application form, enclosing a large self-addressed envelope to: Group Personnel Manager, Bank of Wales PLC, Kingsway, Cardiff CF1 1YU.



APPOINTMENTS WANTED

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- Write today for my CV: Box A1592 The Financial Times Number One Southwark Bridge London SE1 9HL

Business Analyst Exploration

RTZ, the British-based international oil & gas group, has an attractive opportunity for a business analyst to work within the exploration function at its corporate headquarters.

The position involves a range of activities including the drafting of: the annual exploration plan and quarterly reports for the Chief Executive's Committee; internal papers on exploration strategy; external speeches and presentations; and the analysis of exploration projects. Due to the small size of the central exploration function the job-holder works closely with the Head of Exploration and most other head office departments, e.g. technical, financial, commercial and legal.

Applicants should, in their mid-thirties, have a good degree, at least two years' work experience, and preferably a technical background. The successful candidate will be able to think creatively, analyse objectively and communicate effectively. A high degree of literacy and numeracy, plus familiarity with spreadsheets and word processing software, is essential. A working knowledge of accounting and project analysis techniques would be useful.



Please send a curriculum vitae and details of current salary to: Ann Bassett, Staff Manager, RTZ Limited, 6 St James's Square, London SW1Y 4LD or telephone 071 753 2259 (direct line) for further information.

THE HOUSE OF COMMONS REQUIRES TWO SELECT COMMITTEE SPECIALIST ASSISTANTS

The Treasury and Civil Service Committee requires two Specialist Assistants to cover various questions. The Committee regularly examines Government economic policy, public expenditure and international monetary arrangements and candidates should be well versed in at least one of these fields. The duties will include giving specialist assistance to the Clerk of the Committee and undertaking research into specific questions. Applications are invited from individuals with a good degree or an equivalent professional qualification in a relevant subject together with several years' relevant practical experience. An interest in public administration and experience in the use of a micro-computer would be an advantage.

The appointments will be for a period of between 2 and 4 years. Leave is generous; staff pension scheme which is non-contributory in respect of personal benefits; sick pay scheme; interest-free loan for the purchase of a season ticket.

Salary in the range £14,630 pa - £21,902 pa depending on qualifications and experience. Staff who fulfil certain performance criteria have the opportunity to earn additional salary points.

For further details please contact:

Personnel Office
House of Commons
London SW1A 0AA

☎ (071) 219 5544 ☎ hour answering service)

quoting ref 2A/85/PT

Closing date for receipt of applications: 25 September 1991.

Applications will be registered and will be welcomed.

The House of Commons is an Equal Opportunity Employer.

INVESTOR RELATIONS SALES EXECUTIVE

Technometrics seeks additional second executives to join its European team. Technometrics is internationally recognised as the leading data base company servicing the investor relations and broking communities. Candidates will have a record of success in sales in the financial area and possess an understanding of equity markets. Fluency in German or French is required and the positions provide the opportunity of European travel. A high degree of self-motivation is required as well as excellent communication skills to board level. Please send curriculum vitae to the Personnel Department at:

Technometrics Inc.
13 Knightsbridge Green, London SW1X 8JL

JAMES CAPEL

Research & Marketing Assistant

The Investment Management Division has an opportunity for a lively and talented individual to join its Private Clients Department.

The position includes assisting with investment strategy, new business and production of newsletters and marketing material.

The successful candidate will have at least two years' investment experience and possess proven ability to write attractively, think independently and to communicate effectively with the investment managers.

Please write with full CV, indicating salary to:

Sara Greve, Personnel Officer,
James Capel & Co. Limited,
7 Devonshire Square, London, EC2M 4HU.

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FINANCIAL ENGINEERS

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Individuals will play a key role in showing other traders who are potential customers the power of this technology as a trading platform and financial engineering tool, while providing our sales force with global strategic marketing advice.

Please mail or fax CV to: David White, Dir. HR, 33 Whitehall Street, NY, NY 10004, USA. Fax: 212 344 7039. Principals only please.

WHOLESALE BANK LOAN SPECIALIST

A high corporate finance boutique, institutionally backed, seeks a specialist to maintain a wide range of bank contacts and to structure, market and place certain types of private placements, bilateral and packages. The candidate will be 28-45 and probably will be working at a middle/senior level in corporate banking or syndicated credits in a UK or foreign bank, or in the treasury unit of a life company, building society or money broker. He/she may also have an investment banking/capital background. Current working relationships with a range of banks is a prerequisite. Experience in backed finance, or residential/commercial mortgages would be useful.

Interested candidates should send a comprehensive CV listing achievements to: A1624, Financial Times, One Southwark Bridge, London SE1 9HL

INTEREST RATE SWAP BROKERS

K B W

KBW is a specialist independent money broking company.

We are seeking two additional brokers to augment our existing team.

We are looking for inspired and highly motivated individuals with at least 2 yrs relevant experience gained in the financial market. Language skills would be extremely beneficial but are not essential.

An attractive and highly competitive remuneration and benefits package will be offered to those successful candidates.

Please telephone André Rosario, MANAGER, on: 071 520 1111 or alternatively, write to him at:

KBW CAPITAL MARKETS LIMITED,
SOUTH QUAY PLAZA II,
183 MARSH WALL,
LONDON. E14 9SH.

CHIEF DEALER

Paris

Our Client, a well-established European bank, represented in the major financial centres, seeks to appoint a senior foreign exchange trader to assume control of all day-to-day dealing activity in its small yet professional Paris office.

Candidates, preferably in their 30's, should possess a good knowledge of the F/X and Money Markets and effective experience in FX management. The appointee, probably a French national, will report via the branch manager to the European Treasurer based in London.

This attractive position affords the opportunity to make a positive contribution to an organisation with both the commitment and substance to offer career development and genuine personal reward.

Contact Norman Philpot in confidence on (071) 248 3812

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APPOINTMENTS WANTED

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Please write to box A1636, Financial Times, One Southwark Bridge, London SE1 9HL

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Surrey £40k equivalent

We are an expanding Guildford based multi-disciplined Design and Management Consultancy, specialising in the Hotel and Leisure Industry throughout Europe. We are looking to appoint a Finance Director, to work two days per week, to deal with strategic financial issues and to manage the accounting function of the group. The person appointed will be a qualified accountant with financial and treasury management experience at senior level in a service industry. Salary will be pro rata up to £40,000 equivalent.

Please write in the first instance, explaining in detail your current circumstances, to:

Miss S. Davis, Ransley & Associates,
The Billings, Walnut Tree Close,
Guildford, Surrey GU1 4UL

ACCOUNTANCY COLUMN

Takeover bid advisers fear disclosure of fees

By Norma Cohen, Investments Correspondent

SHOULD shareholders have the right to know how much their company spent on their behalf to ward off a hostile takeover or to launch a bid for another company? And should that information be disclosed in regular company accounts or in filings before the takeover panel when the bid is launched?

The Bank of England has found itself the somewhat unlikely agitator in a controversy that has lined up many of the nation's biggest institutional shareholders on its side, and risked antagonising its natural constituents, the merchant banks.

The Bank has been circulating a paper to the Takeover Panel and to the accounting bodies suggesting that companies should make public the sums they pay their financial advisers in merger and acquisition activity.

At the heart of the Bank's thinking is the nagging concern that if shareholders knew what a company was paying for advice, it would affect perceptions of the wisdom of the bid. While all investment banks are obliged to give the best possible advice to clients, it might be argued that the thought of hefty advisory fees might lead them to support an uneconomic bid. Furthermore, the Bank believes, even if shareholders ignore the information, it is simply no justification for failing to

do so. The Bank's action was prompted by the acquisition of Globe Investment Trust last year by the National Coal Board's pension fund, CIN Management. In that bid, the apparently struck a deal with the main advisers, Baring Brothers, that ultimately required



David Tweedie: "Our first question is who wants the information?"

CIN to pay Baring about £4m once the takeover was completed. Globe had structured the deal so that the fee was contingent not upon repelling the bid but upon realising a better offer from CIN.

CIN is said to have gone before the takeover panel and argued that the terms of that arrangement should have been disclosed because it constituted a contingent liability — an argument which the panel rejected.

Separately, the Takeover Panel considered, but rejected, a Bank of England paper urging that fees be disclosed routinely in takeovers. The panel decided that the code could only cover matters occurring during the takeover. For one thing, fees are often dependent on the outcome of a takeover and are not easily quantifiable until the deal is either completed or abandoned.

However, the proposals may get a better hearing at the Accounting Standards Board, where they are many new disclosure requirements currently under consideration.

Professor David Tweedie, chairman of the ASB, said that in making any decision on the matter the ASB must first consider "materiality". "Our first question is who wants the information," he said. "In order to be significant, the information must not only be significant, but also make a difference to those using the information. The board must consider whether shareholders

have reached a different conclusion about the rationality of a bid knowing what a company paid its advisers. If the information was merely interesting, the matter could be said to be material."

On the other hand, if the information was material while a bid was underway, what was the point of only disclosing it in interim or year-end accounts? By that time the bid of the bid may well have been decided and it would be too late for shareholders to consider the merits of fees.

For the banking industry the disclosure of fees is a highly sensitive matter. Mr David Smith, managing director of SG Warburg, chairman of the corporate finance committee of the British Merchant Bankers' Association, said the group would probably not support the disclosure of fees in a takeover.

meaning a statement giving the lump sum paid to all advisers including accountants, lawyers, public relations consultants as well as investment banks.

But the terms of advisory fees in the middle of a hostile bid was quite another matter. "Disclosure of the fee to the other side in a hostile takeover," he argued, "Merchant banks could point to the takeover disclosure requirements of their competitors to support this."

Investment bankers have little to see their fees splashed across the pages of the nation's financial press. They argue that the sums paid are insignificant relative to the value of bids and that shareholders already have much information about a bid.

Corporations, meanwhile, have a different perspective. Mr Hugh Collum, chairman of SmithKline Beecham, chairman of the 100 Group of Finance Directors, said that in the US, fees are always disclosed in the course of a bid. The merger of US-based SmithKline Beecham with Beecham in 1989 did not suffer at all from disclosure of investment fees. Disclosure considerations, he argued, could well apply to all fees in a merger. "When they knock on the door in the negotiation, you could argue that they should be disclosed."

Meanwhile, Mr Collum noted that the disclosure of fees in investment banking had neither inhibited merger activity there nor moderated the fee structure. Indeed, US advisory fees were significantly above those in the UK.

ACCOUNTANCY APPOINTMENTS

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To apply, please send your detailed CV to Ms Sarah Webb, Recruitment Manager, McKinsey & Company, 74 St James's Street, London SW1A 1PS, quoting ref ACA/FT/91.

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£40,000 pa + equity incentive
Middlesex

Portfolio Foods was formed in July 1990 in order to conduct a £59 million management buy-out of 8 companies with a combined turnover of approximately £90 million. This rapidly expanding group of manufacturing companies operates in the confectionery and snacks markets and has subsidiaries in the UK, Germany and Holland. Whilst each of the businesses operates as an independent profit centre, tight strategic and financial control is exerted by the small head office team based in Hayes.

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You will be required to administer the reporting requirements of the group in a timely and accurate manner and will be expected to produce written financial reports for presentation to the Board of Directors. You will possess the proven ability to review and analyse financial information critically and will have used computer spreadsheets extensively. It will be of particular interest if you have been involved in the implementation and use of a standard costing system in a manufacturing environment.

Benefits in addition to the salary, will include the ability to acquire equity in the management buy-out, etc, contributory pension and free health cover, plus an opportunity to participate in a truly entrepreneurial environment. Reference B/1175.

Finance Manager - Germany
£25,000 pa
Nr Dusseldorf

If you are a recently qualified accountant, fluent in German with experience of computerised systems and keen on gaining European experience in the fast moving food industry, this exciting role may be of interest to you. Working near Dusseldorf, and reporting to the subsidiary Finance Director, you will be responsible for the computer and financial accounting of two autonomous operating companies with a combined turnover of £12m. This role is the perfect grounding in commercial management practices and there are excellent future career opportunities within the group. Reference B/1176.

Please write including full CV with salary details and covering letter summarising your experience for the post, quoting the appropriate reference number, to Steven Joseph at:

Portfolio Foods Limited
Pasadena Close, Hayes, Middlesex UB8 3NQ

Fraser & Russell Chartered Accountants

HEAD OF FINANCE AND ADMINISTRATION

We are one of the leading firms of Chartered Accountants in the South-East. We are looking for an exceptional candidate for the position of Head of Finance and Administration to be based in our Hertford office.

The position will encompass responsibility for the firm's accounting, budgeting, forecasting and treasury functions, the ongoing development of management information systems and partnership secretarial matters relating to the administration of premises, leases, insurances and the firm's pension scheme. The Head of Finance and Administration will report to a member of the Management Committee and will be assisted by appropriate support staff.

The ideal candidate will be a skilled manager with evident inter-personal skills. Other desired qualities include energy, commitment, computer literacy and an ability to achieve results. Age is not of prime importance.

Salary and benefits will be commensurate with experience and goal to attract the right candidate. Applicants should write giving full details of career history and salary requirements to:

Fraser & Russell (Ref: P.J.), Chartered Accountants, Liverpool Victoria House, 115 New London Road, Chelmsford, Essex CM2 0PP

THE WHITBREAD BEER COMPANY

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MWA
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The Whitbread Beer Company is a major division of Whitbread Plc, one of the UK's leading leisure groups with annual sales in excess of £2 billion and net assets of £2.7 billion. Their prestigious brand portfolio includes Heineken, Stella Artois, Boddingtons, Beefeater, Pizza Hut and Thresher.

The Company is poised to take advantage of exciting growth opportunities projected in the 1990s leisure industry including a progressive expansion into the European markets. They now wish to recruit several "fast track" Finance Managers who will be carefully selected for their potential to achieve rapid promotion. Career paths will lead to senior management positions, both in Finance and General Management. These executive roles are seen as entry points into Whitbread Plc and future job prospects include moves into other divisions of the Group, in the UK and Worldwide.

Responsibilities will include:

- strategic and operational business planning
- analysis and interpretation of production, sales and marketing performance
- provision of finance advice and support to operational management

- cash forecasting and management
- project investigations and investment appraisal
- development of computer and management information systems
- training and supervision of staff

Candidates must be graduate calibre qualified accountants, aged up to 28, with a large company or large professional firm background. Personal qualities are more important than relevant experience and must include excellent interpersonal and communication skills, an agile mind and the ability to develop creative solutions to business problems.

Opportunities currently exist in Luton, the South West and the North West. However, candidates need to be flexible on location to take advantage of promotion opportunities throughout the UK, Europe and Worldwide.

Applicants should telephone Ann Marie O'Brien on 0753 830881 or write enclosing a Curriculum Vitae to Martin Ward Anderson, Lords Court, St Leonards Road, Windsor, Berkshire SL4 3DB.

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

MIDLANDS

c £75K + EXCEPTIONAL BENEFITS

Finance Director

Excellent growth both organically and by acquisition has been the hallmark of this progressive Midlands based financial services group. Ambitious plans are in hand to develop further its areas of operation and innovative approach.

A commercially minded Finance Director is now required to lead the finance function and will have to ensure that the business grows with the rapid change and development envisaged. You will be part of a small highly motivated team who work closely together taking the business forward. The major ingredient of the role will be the strong management of, and balance between, the profit and loss account and balance sheet.

You are likely to be a graduate, qualified accountant of between 5 and 10 years with experience of operating

In a large financial business within the banking sector itself. A track record involving the management of change is required and you will possess excellent commercial, participative and communication skills and should be able to being part of a commercially orientated proactive team.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to John Elliott, Coopers & Lybrand Deloitte Executive Resourcing Ltd, 11 Temple Row, Birmingham B2 5JT, quoting reference JE211.

Coopers & Lybrand
Deloitte Executive Resourcing

SENIOR
FINANCIAL
EXECUTIVES

MAJOR PLC

CENTRAL
LONDON

Our client is an International Engineering Group with a turnover in excess of £2 billion. The organisation is now entering a period of rapid change in order to meet the challenges of the future in global terms, it therefore offers an environment that is both challenging and exciting.

Detailed succession planning has identified the need to recruit two senior finance personnel, who will play a high profile role within the Group Finance function.

FINANCIAL CONTROL AND MONITORING MANAGER
To £65k + CAR

Through the successful management of a small team the individual will monitor monthly management operational performance and report to the Group and Divisional Senior Management on trends, including any significant variations related to the business plans. Communication with the Divisions and the Group operating units is essential and will be achieved through the development of good relationships with their financial executives.

INTERNAL AUDIT MANAGER
To £65k + CAR

The individual will be responsible for developing the strategy approach and the co-ordination of the Internal Audit Function. Objectives will include planning and monitoring the audit programme and developing effective relationships with senior management. The role requires highly developed interpersonal skills. The Audit Manager will communicate at senior management level between the Group, Divisional and Operating units; identifying problem areas; recommending appropriate action and generating the commitment necessary for recommendations to be implemented.

The successful candidate for each position will be a Qualified Accountant with a positive, persuasive personality, good management skills and proven commercial judgement. Experience gained within a manufacturing or engineering environment would be an advantage.

Please call or write in full confidence to Ronnie Sall
(Executive Search Division) enclosing a detailed resume.

RICHARD JAMES
ASSOCIATES

PREMIER HOUSE, 10 GREYCOAT PLACE, LONDON SW1P 3EP
TELEPHONE: 071 222 8888, 071 222 8037/8, 071 233 1758, TELEFAX: 071 941 9809

GROUP FINANCIAL
CONTROLLER

Multinational Insurer

City: c £55,000 + car + financial sector benefits

Our client is the member company of one of the major US insurance groups with revenues of £10 billion. The product portfolio embraces global insurance programmes and insurance for specialty-rated businesses.

The role of Group Financial Controller is of great importance in achieving the Company's short and long term business objectives through the enhancement of strong reporting and control. The role involves an already established culture of financial discipline.

Responsible to the Executive Director (Finance), you will be responsible for maximising the performance of the UK operating companies through innovation, and the analysis of operating budgets and results against business plans. Specifically you will be responsible for the financial functions of Group consolidation, management reporting, statutory accounting, and internal control.

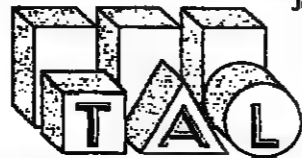
A thorough knowledge of UK and US insurance accounting practice and procedures is essential, together with a good understanding of the industry.

and of its underwriting and claims functions. Probably 30-40 years, you are proactive and professionally qualified, and can show evidence of an enviable business record gained in the industry sector, enabling you to effectively lead and motivate a team of financial executives.

Salary is negotiable at £55,000 plus a company car and a full range of financial sector benefits. In the longer term, there are clearly defined opportunities for further personal progression.

Our client is looking for a proactive, ambitious, qualified Accountant, who would be responsible for management reporting, statutory accounting, and financial systems in the Company's reinsurance operation. Salary indicator is circa £55,000 plus car.

If your profile matches our profiles, please write immediately to our Advising Consultant, John L. Thompson, 147th, Thompson Limited, at Compton House, Selsdon Road, South Croydon, Surrey CR2 6PA. Fax: 081-680 1172. Strict confidentiality is guaranteed.



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2 The Courtyard, Smith Street,
London SW3 4EE

Regional Manager

Financial and Strategic Consulting

The West

This is an unusual opportunity to head up and develop our regional financial management and strategic management consultancy group. Although you may have returned to industry or Commerce you will also have a successful record in financial, marketing or strategic consultancy including business development, team and project management.

KPMG Management Consulting is well known as one of the largest firms of Consultants and Accountants in the UK with highly skilled professionals recruited from senior positions from both the private and public sector. Based in Bristol, Cardiff and Exeter, our Regional practice has continued to grow through the recession with many leading national and local clients.

In addition to your accomplished track record you will have an accountancy qualification or an MBA. Strong technical, communication and sales skills will open up the substantial career and business opportunities in this role.

The remuneration package will be commensurate with your experience and contribution. To apply, please send details of your relevant experience with your CV and remuneration history to Chris Garcia, KPMG Management Consulting, Richmond Park House, 15 Pembroke Road, Clifton, Bristol BS8 3BG.

KPMG Management Consulting

Price Waterhouse

EXECUTIVE SELECTION

Finance Director

c £46k package plus bonus Caterham, Surrey

One of the 57 first wave Trusts, the Lifecare Trust looks after mentally handicapped people throughout London and the South East, with a particular concentration in the Croydon-Caterham area. It is already Britain's largest body of its sort, and leads the field in moving people out of institutional care into small community homes. Whilst quality of care is central to its concerns, the Trust is also a substantial business, with a staff of about 1,000, a turnover in excess of £20 million a year and capital assets of £40 million; and if it is to serve those in its care as well as possible, it must be run efficiently.

Reporting to the Chief Executive and Board, a Finance Director is sought to lead the finance function and provide strategic input and

advice in the pursuit of the Trust's objectives. The immediate priorities will be to continue the process of bringing the Trust's attitudes and procedures fully into line with best commercial practices, and to provide input into the Business Plan due to be submitted to the Government in Spring 1992.

You should be a qualified accountant, preferably CA, with experience as a finance director. You will need to combine a strong personality with an inherent empathy for both the concept of care and the nature of the Trust's work. Sound commercial, managerial, accounting and especially corporate finance skills are required. Age is not an issue, and neither is sex nor colour: your ability to contribute constructively will get

the job done effectively is what counts.

The structure of the package is flexible according to your personal circumstances and priorities, and is further enhanced by a performance related bonus. To pursue this interesting combination of both helping to run a large enterprise plus giving something back to the community, contact Hamish [redacted] for an informal discussion or write to him quoting reference H/1179/FT enclosing full CV and remuneration details.

Executive Selection Division
Price Waterhouse
Management Consultants
Milton Gate
1 Moor Lane
London EC2Y 9PB
Telephone: 071-939 6312

City Solicitors

HEAD OF
THE FIRM'S
TAX

c£50,000 + car

A prestigious City practice, our client is now one of the largest law firms in Europe with offices in a number of world's major financial centres.

Leading a small department, the applicant, as Head of Tax, will be responsible for all aspects of tax planning and management and accounting procedures for the partnership and its overseas operations. He or she will work closely with a Tax Partner and report to the Director of Finance. This sensitive role will also involve direct contact with the partners and a wide range of ad hoc projects.

Applicants should ideally be computer literate experienced accountants with extensive tax knowledge gained in a major firm of accountants, a similar large partnership or in commerce. They must also demonstrate that they have the maturity and communication skills to be readily accepted at the highest level.

A competitive remuneration package is offered and salary will not be a limiting factor for the right applicant.

Please write, enclosing a full career/salary history and daytime telephone number, to David Tod BSc FCA quoting reference D/996/F.

Divisional Financial
Controller

West Yorkshire

c£35,000 + benefits

Our client is a £30 million turnover division of a major plc with manufacturing facilities in the Midlands and Europe.

Reporting to the Divisional Chief Executive, you will be responsible for the analysis, consolidation and reporting of financial results against budgets, and for the evaluation of capital projects and new ventures. Additionally, you will provide a support service to all operating units in achieving Group targets and in improving their information systems.

You are a qualified accountant, with substantial management accounting experience in manufacturing industry - preferably within a multi-

national environment. It is essential that you can demonstrate previous experience in assisting line management to interpret financial data, identify accounting problems and implement practical solutions. Ability in a second European language and experience of international operations are both desirable.

Salary in discussion as indicated, and an attractive benefits package includes a quality car, bonus and first class pension arrangements.

Please write with full details. These will be forwarded to our client. List separately any companies to whom your application should be sent. Neil McLaughlin, ref: 501/25/3, MSL Advertising, Ebor Court, Westgate, Leeds LS1 1SL

MSL International

CONSULTANTS IN SEARCH AND SELECTION

Handwritten signature or mark at the bottom of the page.

c. £40,000 + profit share & benefits **GUINNESS PLC** Central London

Head of Group Reporting

Significant financial accounting remit with one of the world's most profitable spirits and brewing companies which has an outstanding portfolio of premium brands marketed internationally. Capitalised at £10 billion, Guinness is one of Britain's ten largest companies. Bright, innovative, commercial and technically astute accountant sought to assume responsibility for groupwide reporting. Will join a young, committed professional team, playing a key role in reviewing divisional performance and providing a specialist service in areas of multinational accounting. Excellent international career prospects.

THE ROLE

- Responsible for the review, analysis and consolidation of divisional strategic plans, budgets and monthly reports. Preparation and production of group statutory accounts. Control of accounting policies and procedures.
- Taking the lead in resolving complex international accounting issues arising from extensive treasury operations, taxation matters and from acquisitions and joint ventures.
- Managing and developing a team of qualified staff. Strengthening relationships with divisional finance and other group specialist departments.

THE QUALIFICATIONS

- Late 20s/early 30s, ACA, with the intellect and technical skills to provide innovative accounting solutions that add value to commercial objectives.
- Currently auditing or working for a progressive, growth orientated, multinational PLC, with demanding exposure to complex acquisitions, disposals and statutory reporting.
- Strong communication, team building and interpersonal skills with a total commitment to quality. Potential for rapid promotion.

London 071-973 0889
Manchester 061-941 3818

Selector Europe
A Spencer Stuart Company

Please reply, enclosing full details to:
Selector Europe, Ref F291091L,
16 Connaught Place,
London, W2 2ED
071-973 0889

c. £55,000 plus benefits **Bromley Health Authority** Bromley

Finance Director

Commercially minded, young Finance Director sought to restructure and lead financial operations of this Authority's 560m acute hospitals unit into the more business orientated and demanding environment of the Health Service in the 1990s. Very large, complex infrastructure with £153m capital development plan for new hospital. New Chief Executive establishing top management team to tackle the challenges and opportunities presented by the Health Service reforms and the achievement of Trust Status probably in 1992. Will suit a bright ambitious finance professional seeking early responsibility.

THE ROLE

- Reporting to the Chief Executive as part of small, focused management team. Responsible for the full spectrum of financial management.
- Leading the restructuring of the department to address reforms effectively and resource appropriately. Spearheading the introduction of commercial disciplines to optimise performance.
- Substantial contribution to future strategy and planning.

THE QUALIFICATIONS

- ACA/ACMA with minimum five years post-qualification experience in industry. MBA or exposure to broad business issues valuable.
- Currently a senior financial manager with an operating subsidiary. Experience of the management of change beneficial. Systems skills important.
- An innovator with a talent for influencing people. Both authoritative and sensitive. Must relish autonomy and taking a practical lead.

London 071-973 0889
Manchester 061-941 3818

Selector Europe
A Spencer Stuart Company

Please reply, enclosing full details to:
Selector Europe, Ref F306041L,
16 Connaught Place,
London, W2 2ED
071-973 0889

Financial Management - Multinational - FMCG Middlesex

Our client is part of a well known US multinational involved in the manufacture and distribution of branded consumer food products. The UK division, with a turnover in excess of £110 million, has undergone a major reorganisation and now seeks to strengthen its finance function as part of its planned growth strategy. As a result of this there is a requirement for two high calibre individuals to assume key management positions.

Financial Planning Manager £30-32,000 + FX Car + Benefits

Reporting to the Finance Director, key areas of responsibility will include:

- ★ Assisting the development of strategic and operating plans.
- ★ Preparation and analysis of financial results on a monthly and quarterly basis including control of forecasting and budgeting activity.
- ★ Project Analysis.
- ★ Development and implementation of management information systems.
- ★ Assisting in developing the division's accounting and financial policies.

You will be a qualified accountant with at least five years' post qualification experience. Previous Financial Planning experience is essential, ideally obtained within the FMCG/Retail/Food Industry sectors.

Strong interpersonal and analytical skills, commercial awareness and the ability to balance broad strategic thinking with a fine eye for detail are essential for both roles.

Financial Analyst - Marketing £28-30,000 + FX Car + Benefits

Reporting directly to the Finance Director and involving extensive liaison with the Marketing, Sales and Commercial Directors, key responsibilities will include:

- ★ Provision of financial input into marketing, sales and advertising programmes.
- ★ Preparation of monthly financial projections in areas of pricing, cost analysis and capital expenditure.
- ★ Preparation and presentation of strategic and operating plans.
- ★ Development and implementation of management information systems within Sales and Marketing.
- ★ Control and maintenance of the Sales and Marketing financial information database.

Candidates must be qualified accountants with at least 2 years' post qualification experience in a product-driven environment.

Michael Page Finance
Specialists in financial recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Interested candidates should, in the first instance, forward a comprehensive CV to: Sajid Baloch MBA at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berks SL4 6BW.

BANK OF SCOTLAND

AMBITIOUS ACCOUNTANTS

Why not develop your career in Corporate Banking?
Regionally based Excellent Banking Package

Our client, a leading British bank, provides a range of distinctive financial services throughout the UK and internationally, aiming to be at the forefront of innovation and technology. Due to recent expansion, opportunities have arisen for high calibre accountants to join their corporate banking teams in each of the following cities: Birmingham, Leeds, Manchester and Southampton.

Reporting to the Regional Manager, specific responsibilities will include assessing complex lending proposals, analysis of industry sectors and management of current business and developing client relationships. Career prospects are extremely good within the organisation, however mobility will be required. Successful candidates will be Chartered Accountants aged 25-30 years, who are likely to have trained in one of the 'Big 6' firms.

A strong analytical ability combined with effective communication skills and good interpersonal skills are a prerequisite. Experience of corporate advisory services or insolvency work would be a definite advantage. These are exceptional opportunities for those who have the initiative and scope to achieve the high standards demanded and who are keen to further their career in an environment which will recognise and reward ability.

Interested applicants should contact Ann Sample on 071 831 2000 or write to her, enclosing a full curriculum vitae and details of current salary package, at: Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Please state which location you wish to be considered for and also your travel plans for September 1991 as interviews will be held locally in the week beginning 23rd September.



Michael Page City
International Recruitment Consultants
London Amsterdam Brussels Düsseldorf Paris Sydney

Aer Lingus Chief Executive - Finance

The Aer Lingus Group operates Ireland's national airline together with substantial diversified and international interests comprising hotel operations, the provision of services to other airlines and various commercial subsidiaries and investments. Group turnover is in excess of £800m, and there are more than 12,000 employees.

Reporting to the Group Chief Executive, the position carries responsibility for the overall Finance function with particular accountabilities in Group financial control and treasury management. In addition, as a member of the top management team, the person appointed will be expected to make a

significant contribution to the corporate planning process.

The requirement is a proven record of accomplishment in a senior financial role within a large commercial organisation experience of major international transactions is also essential. The remuneration package and benefits will be discussed at interview and will fully reflect the importance of this role in the context of the Group's strategic development. Location: Dublin.

Please write stating how you meet the requirement and enclosing a Curriculum Vitae to D.M. Hand at MSL Group Limited, Newmount House, 22/24 Lower Mount Street, Dublin 2, quoting reference 86003.

MSL International
CONSULTANTS IN SEARCH AND SELECTION

THATCHAM
THE MOTOR INSURANCE
REPAIR RESEARCH CENTRE

Financial Controller

Berkshire

Thatcham is the engineering based research centre funded by major British insurers to monitor the costs and improve the standards of motor vehicle accident damage repairs in the UK. It has built an international reputation as a centre of excellence recognised by Motor Manufacturers and the Retail Motor Repair Trade. The operating budget is around £25m and there is a staff resource of around 60 people.

The prime role of Financial Controller is to provide effective financial and management control systems and to advise on the financial trends of the Centre, this will involve a key contribution towards the overall formulation of the Centre's strategic and business plans and collective accountability, as a member of the senior management team, for its business performance. The person appointed will in addition assume responsibility for Thatcham's legal, secretarial, regulatory and

c£30,000+car+benefits

personnel policies. Some experience of these functions would be considered useful. A qualified accountant aged 35 or over is to be identified who possesses at least 5 years' financial and management experience, ideally with a motor manufacturing, repair or retail business. A committed team player, you are a skilled communicator with both the written and spoken word and you are also able to demonstrate strong analytical, planning and organisational skills.

Operational exposure to computer systems is vital, as indeed is the determination to impact successfully across the wide-ranging responsibilities of the role.

Interested candidates should write with a full CV to John L. Thompson, our Advising Consultant, at: Thompson Associates Ltd (Ref 1474), Cornpton House, Selkirk Road, South Oxney, Surrey GU2 6PL. Fax 081-680 9775.



Laurentian Life Finance Director

Gloucester

c£45K package

The Laurentian Group is a leading international financial services organisation with operations in Canada, USA, UK, the Bahamas and Hong Kong. Worldwide the Group manages funds in excess of £8.3 billion of which £1.3 billion is invested on behalf of UK clients. The Group has an explicit commitment to the support and expansion of its subsidiary in the United Kingdom. Laurentian Life Plc is the largest UK Group company. An important element of the company's business development strategy is the creation of a new organisational structure based upon autonomous business units carrying full responsibility for their own profitability. As a result of this strategic intent a challenging opportunity has arisen for a high calibre Finance Director.

Reporting to the Managing Director with a functional line to the Financial Director, and operating as part of the senior management team, responsibilities will include statutory

and group reporting, financial management, treasury and systems development. The individual will be involved in the strategic decision making process of both the business unit and the UK Group.

Successful candidates will be qualified accountants with a demonstrated track record in a senior management position within the life assurance sector. Strong communication skills and high level problem solving abilities are prerequisites. In return the company offers a highly competitive package including generous basic salary, full relocation assistance, executive car, performance related bonus and other large company benefits.

For further information please write in strict confidence enclosing a fully comprehensive CV to Paul Turner or Paul Kinsey ACMA at Michael Page Finance, 29 St Augustine's Parade, Bristol BS1 4UL.



Michael Page Finance
Specialists in financial recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Finance Director Natural Resources

For a fully quoted Plc with significant interests in Britain and North America. The company is strong financially and has firm plans for further growth.

• **RESPONSIBILITY** is to the Board for the establishment and leadership of the central finance function, control of financial policy, statutory accounting, evaluation, analysis and treasury.

• **THE NEED** is for a qualified accountant from an industrial background. Experience in a public company combined with a hands on approach is highly desirable. Energy and relevant experience are more important than age.

• **REMUNERATION** c. £50,000 + benefits. Location South Yorkshire.

Write in confidence, enclosing Curriculum Vitae, quoting reference 7415/FT to:-



8 Hallam Street, London W1N 6DJ. Tel: 071 580 6113. Fax: 071 631 5317
A DIVISION OF TYZACK & PARTNERS



c £65,000 + BONUS + CAR

Group Finance Director

The Silcock Express Group is a dominant market leader in the vehicle distribution industry and has created a strong presence both in the UK and on the continent through its European subsidiaries. The Group has grown significantly in recent years to reach a current turnover of some £100 million and has firm plans to expand its activities further within Europe.

The Group requires a strong executive Group Finance Director with first rate leadership abilities to ensure proper financial disciplines are followed throughout the Group. As a board member you will be required to actively contribute to the commercial management and strategic development of its business activities which are likely to include further acquisitions and its flotation. A key responsibility will be ensuring that Group operating officers are well served with sound management information and financial analysis to successfully manage and develop the business.

You must be a graduate Chartered Accountant with several years' senior financial management experience in both operating company and group roles gained within organisations of excellent commercial standing. You must have experience of controlling overseas subsidiaries and be particularly strong on systems development and controls within the international arena for which a second European language would be highly desirable.

Please send full personal and career details, including current remuneration level and daytime telephone number in confidence, which will be forwarded to our client, to Christopher Haworth, Coopers & Lybrand Deloitte Executive Resourcing Ltd, 76 Shoe Lane, London EC4A 3JB, quoting reference CH863 on both envelope and letter.

Coopers & Lybrand
Deloitte Executive Resourcing

THE WTH PORTFOLIO

Financial Controller/Director Designate South West/M4 Corridor £40-50,000 + Car

Our rapidly increasing profile in successfully completing senior financial recruitment assignments in the South West continues to generate considerable expansion of our activities.

As a result, we are currently and regularly undertaking a number of unadvertised assignments throughout Avon, Wiltshire and Gloucestershire for senior financial management at Controller or Director level, in the salary range £40-£50,000. The companies concerned include major plc's and US companies with major subsidiaries or headquarters in the area; in manufacturing (engineering/electronics), service industries, financial services, and privatised or quasi government bodies. We are equally involved with smaller, independent entrepreneurial companies seeking to strengthen their management teams.

To be successful you will be a qualified accountant (ACA, ACMA, ACCA) probably a graduate, aged 30-40 with substantial experience at both "grass roots" and managerial level in the industries indicated above. Your experience may have been with "blue chip" companies or smaller independent operations as is appropriate. Confidence, strength of character, demonstrable career achievement and the ability to both create and respond to change are likely to be key characteristics of the successful candidate.

If you are interested in being considered for such opportunities I would be delighted to hear from you. Please address your resume to Wayne Thomas, WTH Portfolio, Wheale Thomas Hodgkins PLC, 9 Unity Street, College Green, Bristol BS1 5HH.



WHEALE THOMAS HODGKINS PLC

SYSTEMS DEVELOPMENT ACCOUNTANT

CITY

AGE 28-36

EXCELLENT PACKAGE TO £40,000

This institution is a major British based International banking group, operating in more than 60 countries. As a result of a recent strategic initiative to improve management information throughout the group, an excellent opportunity has arisen within the UK Banking division.

Reporting to the Chief Financial Officer of the business unit, responsibilities include:

- Planning and controlling MIS development

- Systems analysis and design
- Liaison with other areas of the Group to ensure cost effective transfer of best practice
- Staff management and training.

The successful applicant will be a qualified accountant with a proven track record within the financial services sector. Experience of implementing major systems projects, coupled with sound technical accounting knowledge is essential. This challenging position demands a

strong communicator with good man management ability, who wishes to develop a long term career within the group.

Benefits package will include a mortgage subsidy, executive car, subsidised loans, health and life cover and a non contributory pension scheme.

Interested candidates should contact George Corbett on 071-379 3333 (fax 071-915 8714), or write enclosing a detailed CV, to Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.

ROBERT WALTERS ASSOCIATES

LONDON WINDSOR BIRMINGHAM BRUSSELS ANTWERP AMSTERDAM

Financial Controller / Director Designate £50,000 package

Our client, a small listed company in the property sector, requires a Financial Controller/Director Designate. Responsibilities include control of the accounting function, together with the production of published information, tax and corporate planning and budgeting, and dealing with personnel, computing and general administrative matters. Other areas to be covered include the appraisal of investment opportunities, advising on appropriate structures and negotiating with banks and joint venture partners. Of special importance is the creation and maintenance of sources of banking and equity finance, and liaising with the company's professional advisers.

This is a challenging role in a successful and well respected company based in Central London. It would suit a self-motivated individual used to working on his or her own initiative, in their mid thirties. The requirement is for sound technical expertise coupled with a strong commercial approach.

The package includes a fully expensed car, medical insurance and participation in share option and bonus schemes.

Please forward your curriculum vitae to Mary Martin, Partner

NEVILLE RUSSELL

Chartered Accountants



Britannia House 50 Great Charles Street Queensway
Birmingham B3 2LY
Telephone 021-236 7711 Fax 021-236 2778

Price Waterhouse

EXECUTIVE SELECTION

Head of Finance

c.£60k plus car, bonus & mortgage subsidy Salisbury

The nineties will see much change and rationalisation in the financial services industry — particularly in the insurance sector. In response Friends Provident, with around £8 billion of assets under management worldwide, has already adopted vigorous strategies to maintain profitability, increase market share and expand its international presence.

The Group is currently looking for a visionary Head of Finance for whom the prospect of being an integral part of this process of change is as fulfilling as it is exciting.

Responsible for a team of around 35, the demands of the role should not be underestimated. Friends Provident is a complex international business marketing a very wide range of

financial services products. The resulting group structure, tax and accounting issues which arise are challenging to say the least. As the Group positions itself to seize the opportunities presented over the next few years, the skills of 'change management' which you will be called upon to exercise will be extensive.

Qualified, aged 35-50, you will have a background of managing large teams and the financial affairs of a complex business, ideally though not necessarily financial services. Of critical interest will be your experience in reacting flexibly and innovatively to change, of providing comprehensive and meaningful management information to assist commercial decision-

making, and your track record as an influencer. You will be capable of earning respect and credibility in a role as a key advisor at the heart of a business.

For the finance professional who can rise successfully to the challenges, the opportunities within the Group are considerable! To discuss this further, please call Hamish Davidson on 071-939 6312. Alternatively, write in confidence with full CV, quoting reference H/1195 and current salary to:

Executive Selection Division
Price Waterhouse
Management Consultants
Milton Gate
1 Moor Lane
London EC2Y 9PB
Fax: 071-638 1358

Price Waterhouse

EXECUTIVE SELECTION

Chief Accountant

c. £30,000 + car + benefits South London

Established as the UK market leader in its field, this company is highly profitable and has ambitious plans for future growth. Already operating a nationwide service, expansion is planned overseas and, in order to help achieve this, a Chief Accountant is required to strengthen the financial team.

Reporting to the Finance Director, you will take responsibility for the financial control of the company, including financial/management accounts, budgeting,

cash management and financial statistics.

A qualified accountant, ideally ACA, you will have a minimum of 5 years' post qualification experience, preferably gained within a commercial environment. You must be fully computer literate with strong accounting and systems skills. You will also be highly self-motivated and have excellent management and communication skills. This is very much a "hands on" role in which you will participate in running the

business and anticipating its future needs.

This is an exciting opportunity for an individual to progress his/her career. If you are interested, please write, enclosing full CV and salary details and quoting reference number F/1193 to Heather Thomas at: Executive Selection Division Price Waterhouse Management Consultants Milton Gate 1 Moor Lane London EC2Y 9PB



Group Finance Director

West Midlands c£35,000 + Bonus + Share Options + Executive Car

Largotim Holdings Limited have established themselves as major niche players in computer solutions for industry. Central to their success has been a focus on effective teamwork, an enviable reputation for service and client satisfaction and a programme of sustained growth and profitability.

In line with their ongoing development and the goal of PLC status, the Chairman wishes to appoint a Group Finance Director following the promotion of the previous incumbent.

As Group Financial Director, you will take full responsibility for the co-ordination, planning and direction of the financial management of the Group. This will involve the supervision of Group financial and management accounting and operation of financial systems, as well as an active contribution to strategic planning.

Applications are invited from candidates with a proven track record in a similar role and from an equally fast-moving and commercially-orientated environment.

Experience of frontline accountability and of dealing with professional advisors, including The City, will be sought. Furthermore, experience of treasury management and company secretarial duties is preferred.

The successful candidate will be a Chartered Accountant who can meet those demands and who is, by nature, a dynamic and energetic individual and a team player. A high degree of commercial acumen is necessary along with a recognition of the "hands-on" nature of this role. A highly competitive salary and benefits package is offered and there exists strong prospects for personal development and progression.

To apply, please write to Steven French, quoting reference B/358/91, with full career and salary details.

KPMG Executive Selection

KPMG Peat Marwick, Peat House,
2 Cornwall Street, Birmingham B3 2DL.

Management Accountants for Consultancy

London based to £50K + Car

KPMG Management Consulting has opportunities for several management accountants to join its Financial Management Group to work in a range of industries on cost management, management information and analytical studies. The Group is a leader in these areas and has a consistent growth record and a substantial workload.

We are looking for graduate accountants with between four and seven years post qualification experience in industry who are currently holding Finance Director, Chief Accountant or Financial Controller posts, probably in self accounting divisions of blue-chip companies. We would be particularly interested in people from high technology sectors including pharmaceuticals, aerospace and electronics.

We need people with sound technical skills and man-management experience, gained in major companies with a reputation for effective management accounting and reporting. Of equal importance are highly developed inter-personal skills, enthusiasm and a sense of humour.

We enjoy being members of a very strong and successful group. If you would like to join us please write with your CV which should include academic achievement, professional qualifications and salary history to John Gerard, Recruitment Manager, KPMG Management Consulting, 8 Salisbury Square, London EC4Y 8BB. Please quote reference FMJ91FT.

KPMG Management Consulting

Handwritten signature/initials

Chief Financial Officer

Oxford

Salary Negotiable

Founded in 1989, our company is a supplier of software research tools both to the international pharmaceutical and chemical industry and to academia.

Following rapid organic growth, we have now reached the stage where a CFO is required to provide finance and administrative support for the commercial decision making process of the business.

Reporting to the Managing Director, the CFO will be required to establish a comprehensive computer based management information system. In addition, he or she will have the opportunity to play a significant role in the future development of the company and its continued expansion plans for Europe, N. America and the Far East.

The ideal candidates will be computer literate qualified accountants, preferably science graduates, aged 25 to 30 and with at least two years PQE. An attractive remuneration package for the right candidate will include equity options and a profit-related bonus.

This is a fast moving environment which will suit an energetic self-starter looking for an opportunity to become involved in the development of an exciting and forward thinking business.

Interested candidates should write in the first instance, enclosing a full CV, to Box A1638 Financial Times, One Southwark Bridge, London SE1 9HL.

OXFORD MOLECULAR

GROUP FINANCIAL CONTROLLER

City

to £50,000 + executive package

This independent, City-based, international finance and investment plc continues to enjoy an enviable record of growth and profitability. With interests including general financing, aerospace, equities and foreign exchange, as well as tax-driven asset finance structures, they are among the market leaders in their field.

In order to maintain this outstanding rate of growth, the company now seeks to recruit a top flight Financial Controller who can make a meaningful contribution to and complement its senior management team.

Reporting directly to the Managing Director, the Controller will run the entire group finance function and manage a small team. The role will encompass all aspects of financial planning and analysis, timely preparation of management accounts and supervising the administration of the group's extensive and varied portfolio.

A qualified accountant aged 28-35, you will have a minimum five years' commercial experience, probably gained within a financial services environment. A "hands-on" management style, coupled with good interpersonal and motivational skills are prerequisites to be successful in this challenging and highly competitive environment.

The attractive base salary is supported by a comprehensive benefits package.

Progression within this entrepreneurial company will be limited only by individual ability.

Interested applicants should telephone Jonathan Cohen, on 081-954 8166 or fax 081-954 1755, or write to him enclosing a detailed CV at the address below.

4 Whitchurch Parade,
Whitchurch Lane,
Edgware,
Middlesex HA8 6LR.

JP

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on
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26th September, 1991.

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CHIEF ACCOUNTANT

CITY

AGE 27-32

c£32,000 + BENEFITS

As a result of an internal promotion, an opportunity has arisen within the commercial banking arm of this British based International bank, operating out of 700 offices worldwide.

Reporting to the Chief Financial Officer of the UK Banking business unit, the chief accountant will be responsible for:

- Planning, organising and reviewing the production of management information

- Preparation of commentary on financial performance and variance analysis
- Systems analysis and design
- Training and management of a team of 10 staff

Having already been in a line accounting position for a minimum of two years, the successful candidate will be a qualified accountant who can demonstrate excellent interpersonal and team management skills. A self-motivator who wishes to develop a career within

this progressive and dynamic group would be ideal.

Remuneration will include an executive car, mortgage subsidy, preferential loan scheme, health and life cover and a non-contributory pension.

Interested candidates should contact George Corbett on 071-379 3333 (fax 071-915 8714), or write enclosing a detailed CV, to Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.

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ROYAL BROMPTON
NATIONAL HEART & LUNG HOSPITALS

Director of Finance

Circa £40K plus performance bonus and other benefits.

The Royal Brompton National Heart and Lung Hospitals Special Health Authority has a challenging mandate to provide leadership in research, education and clinical service. We now need an exceptional financial executive who will provide leadership in financial management and planning.

As an executive member of our Board of Governors and a key player in our Senior Management Team, you'll be challenged to contribute your vision and knowledge as we proceed to develop our programmes and resources.

You should have senior management experience, either in the NHS itself or in a similar organisation, a track record of sustained achievement and first class communication skills.

The reward package will include an excellent salary plus performance bonus, relocation package and pension scheme.

Informal enquiries to: Bill Bain, Chief Executive,
Telephone: 071-351 8653

Information package from: Personnel Department,
Telephone: 071-351 8680

Applications in writing, enclosing curriculum vitae, to: Chief Executive,
Royal Brompton National Heart & Lung Hospitals, Sydney Street, London
SW3 6NE Applications to be received not later than 30th September 1991.

Finance Manager

c£30,000 + Car

West Midlands

Our client is the UK operation of a major international organisation, a world leader in its field. Significant changes in the company's UK sales and distribution strategy will result in the formation of a new operational structure.

Reporting to the Managing Director, you will be a key member of the senior management team in a business with a current turnover of £20 million but projecting significant growth.

The primary task will be to provide the professional lead in all financial management decisions through the analysis and interpretation of monthly financial and management accounts. Overall, however, you will be responsible for financing, accounting, statutory and corporate reporting, order administration and credit management. An early objective will be the introduction of systems and procedures and a MIS facility to serve a multi-site operation.

Probably aged 30-35, you must be professionally qualified and likely to be a

graduate. Your broad based financial and management accounting experience, which should include strength in credit management, should have been gained in an international company preferably involving the distribution of capital equipment.

An accomplished manager, you will be adept at leading and motivating effective teams and your presentation and communication skills will enable you to deal at all levels within the organisation and with customers.

Numerate and computer literate you will need a great deal of self motivation and energy plus a willingness to play a wider role in the overall management of the business.

Success will be well rewarded through an excellent remuneration package and the opportunity of promotion to Director status. The benefits will include relocation assistance to the West Midlands where necessary.

Please write enclosing full CV to Barric Witt, at Austin Knight Consulting Ltd, Tricorn House, 51-53 Hagley Road, Edgbaston, Birmingham B16 8TP quoting Ref LS 841.

Austin
Knight

EUROPEAN FINANCE DIRECTOR

Financial Services Expansion

London

c.£55,000 + Car

A major British financial services company, part of a large international group, is embarking on an aggressive European expansion programme, largely through acquisition.

We are seeking a Finance Director, with demonstrable European experience, to establish and manage a financial function, capable of providing the necessary financial control, reporting procedures and support for a network of European operations. The European Finance Director will also have finance responsibility for existing operations in various European countries as well as work closely in support of the acquisition team.

The successful candidate will be a qualified accountant, probably aged 32-45 years, and have previously built an effective finance function, ideally in a service sector

company. The working language of the company is English although it is not necessary for candidates to be UK nationals. Experience of working in a European country outside the UK is essential as is a good working knowledge of French and/or German.

Remuneration is negotiable for a candidate with the appropriate experience and interpersonal skills and is supported by a generous range of large company benefits.

Please reply in confidence, giving concise career, personal and salary details to Peter Sandham, quoting Ref L599.

Egor Executive Selection
58 St. James's Street
London SW1A 1LD

EGOR
EXECUTIVE
SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Sweden

European Tax Manager

£55,000 + Usual Banking Benefits

A major multinational financial institution is seeking an individual to assume overall responsibility for the European tax function. Working with a small team, the successful candidate will work closely with other members of the Corporation's financial departments to co-ordinate tax compliance, tax planning and management of the European legal entities. In addition, there will be liaison with the business managers to assist with, and advise on new product development. Regular contact is necessary with the US tax department, in order to integrate European and US tax planning.

Key requirements of this high profile position include a thorough knowledge of European tax systems and a solid understanding of US tax laws and treaties. Candidates capable of assuming such a role will require a minimum of seven years' international corporate tax experience within an established environment. The individual must possess strong leadership capabilities, excellent interpersonal skills, management experience, self-motivation, be a good negotiator and have the presence to command respect from members of the worldwide organisation.

Interested candidates should send a detailed C.V. quoting Ref. 401 to Jane Hayes at BBM Associates Ltd., who will forward it directly to our client. Please list, in a covering letter, any organisations to whom you would not want your C.V. sent. All applications treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

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UNIVERSITY OF CAMBRIDGE HEAD OF INTERNAL AUDIT

This is a new appointment within the Financial Board Office to lead and strengthen the Internal Audit Unit, whose main role is to examine compliance with accounting procedures.

The successful candidate is likely to be a graduate accountant, preferably chartered, with at least two years' post-qualification audit experience gained in practice or with a major organisation. The ability to relate to the objectives of a non-profit making organisation, initiative and good communication skills are essential attributes.

The post holder will report to the University Treasurer, and will be given considerable freedom to develop the effectiveness of the audit function.

Further particulars can be obtained from the Treasurer (tel. 0223-332209) at the address below. Applications, including a C.V. and the names of two referees, should be sent to the Registrar, The Old Schools, Cambridge CB2 3TN. Closing date 20 September.

The appointment will be for a fixed term of 3 years with the possibility of renewal for a further 2 years. Initial salary will not be less than £26K.

The University follows an equal opportunities policy.

Financial Controller

Specialist mail order business

North West to £30,000 + car + benefits

This dynamic and well-managed £120m v/o division of a prominent Plc continues to pursue a strategy of innovative and aggressive exploitation of its specialist marketplace. Recent substantial investment in customer service facilities has helped to improve performance in a competitive industry. This new role will be a key factor in translating these achievements into solid bottom-line earnings.

The Role

- Introduce enhanced standards of performance within the financial accounting functions.
- Focus technical expertise and commercial judgement on bad debt and stock provisions, VAT liability and other areas of potential exposure.
- Closely monitor cost levels and EOE.
- Report to Finance Director; supervise large team via group of managers.

Please reply in writing enclosing full cv, quoting Ref M626.

The Requirement

- Qualified graduate accountant. Early to mid 30's.
- Experience of fast-moving commercial operations, preferably within the retail/mail order sector.
- Strong background in financial accounting and reporting, ideally within large computerised environment.
- Good organiser; feet on ground; eye for detail.

ASB
SELECTION

Ameytht House, Spring Gardens, Manchester M2 1BA. Tel: 061-834 0618. Fax: 061-832 9123.
MANCHESTER · LIVERPOOL · LEEDS

Group Accountant

Harrogate

c. £27,000 + car + benefits

Appleyard Group PLC is a major national motor retail chain in the UK (turnover c. £400m). Operating through several autonomous divisions, it is exceptionally well placed to take advantage of an upturn in the economy both organically and by strategic acquisition. Due to an internal promotion, a graduate Chartered Accountant is now needed to further develop the role of Group Accountant, based at the Head Office in Harrogate.

The Role

- Consolidate and review monthly divisional accounts, quarterly forecasts and annual budgets.
- Heavy involvement in statutory accounts; treasury management.
- On-going development of MIS, particularly spreadsheet reporting.
- Acquisition and investment appraisals; regular financial analysis exercises.
- Constant liaison with divisions and exposure to Board members; part of small Head Office team.

Please reply in writing, enclosing full cv, quoting Ref M627.

The Requirement

- Preferably a graduate Chartered Accountant with up to 3 years PQE. Age 25-35.
- Excellent communication and presentation skills; ability to liaise at all levels.
- Technically first-rate and computer literate; able to react effectively under pressure; well-organised.
- Self-motivated, confident and ambitious; commercially aware.

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CREATIVE INVESTIGATIVE ACCOUNTANT

South London
To £35,000 + car

Our client, one of the country's leading construction and civil engineering groups is long established and has an enviable record of continued success.

With a widely spread network of operating companies it is essential that the group has a strong internal audit team.

Reporting to the Head of Group Audit you will be an important member of a small team undertaking a wide range of review and investigation assignments both in the UK and overseas.

You will review and monitor the effectiveness of financial and operating systems and controls, investigate and validate financial reporting, ensure group accounting and financial

policies are adhered to, and carry out ad-hoc assignments.

In your late 20's or early 30's and a qualified accountant you will probably have passed the Audit Senior Stage and be looking for your first major move into the commercial sector. This is a challenging role and you must have well honed analytical and communication skills. Opportunities for further career progression within such a large international company are exceptional.

The remuneration package, which includes a bonus element, is negotiable up to £35,000 and benefits include a company car, private health insurance, pension and life assurance schemes and relocation assistance, where appropriate.

Please send full CV, which will be forwarded to our client, quoting ref: G/2079/FT to Steve Higgins, PA Consulting Group, Advertising and Communications, 123 Buckingham Palace Road, London SW1W 9SR.

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SOUTH EAST

c £50,000 + BONUS + CAR

European Finance Director

This is an exciting opportunity to head up the European finance function of a highly successful US Corporation. In Europe, the Group is primarily involved in the manufacture and distribution of consumer products and is entering an important stage in its development.

Reporting to the European Managing Director, you will play a key role in the strategic and operational development of this dynamic business including the formulation of plans for further growth and improvement in overall market share. Initial emphasis will be on the advancement of sound MIS, treasury, financial reporting systems and controls.

A graduate qualified accountant, probably in the age range 30-45, you will have already proved your

management, strategic and systems abilities in a significant multi-national business and have had experience of US reporting requirements. You will possess strong communication skills, well developed commercial acumen and have a 'hands on' approach to financial management.

Please send full personal and career details including current remuneration level and daytime telephone number, in strict confidence to Angela McDermott, Coopers & Lybrand Deloitte Executive Resourcing Ltd, 76 Shoe Lane, London EC4A 3JB, quoting reference 242AM.

Coopers & Lybrand
Deloitte Executive Resourcing

FINANCE DIRECTOR

c. £50,000 plus bonus

A superb opportunity in South Yorkshire

Our client is a well-established Division of a leading UK based international industrial group. The Division is a manufacturing and marketing operation with an impressive growth record, both in the UK and abroad. Sales are c. £160 million.

Reporting to the Managing Director, the Finance Director will join a team of top level professionals. The requirement is for an experienced manager who will personally take control of the function and contribute to the profitable growth of the business by

- providing strong financial direction to the division
- developing further the existing information systems
- assisting in planning and implementing the divisional strategy through the 1990s.

Applicants must be fully qualified accountants and be able to provide clear evidence of first class performance in the management of finance functions in manufacturing industry. Effective communication skills, both verbal and written, are of prime importance.

In addition to the basic salary there is a performance-related bonus. Usual major company benefits are included; car, BUPA, insurance, etc, and, where appropriate, relocation assistance to this attractive environment.

Please write enclosing CV for the personal attention of N Deaville (Ref 997) County Business Consultants, 61 Lower Hillgate, Stockport, Cheshire SK1 3AW.

FINANCE DIRECTOR

Midlands to £40,000, car

The principal subsidiary of a highly successful plc, the client is a forward thinking and ambitious manufacturer and distributor of consumer products. This is a Board appointment with full stand-alone responsibility for all aspects of financial management and reporting to the Group. A key task will be to develop practical costing systems for this fast moving multi-product operation. The Group is acquisitive and offers substantial career opportunities. Aged 30 to 40 and probably a chartered accountant, candidates should be experienced to at least Financial Controller level and have seen, first hand, most aspects of management in a sales oriented manufacturing company. First class technical and computer skills are essential. The salary is supported by a quality car and an attractive benefits package. Please forward in absolute confidence a full curriculum vitae to Adderley Featherstone plc, 6 Lisbon Square, Leeds LS1 4LX. Tel: 0532 444074. Fax: 0532 451578.

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The fact is, the best prepared prospects will still choose the jobs and companies they want, rather than the other way round.

"Career Choice" - the F.T.'s guide for final year undergrads, is an important part of the preparation. Over 100,000 copies of the guide (one for every final year student) will be distributed on Campus in October. It is also in the F.T. on October 17th so that parents can also ensure it reaches the right audience.

For synopsis and rate card call Richard Jones on 071-873 3460 or fax 071-873 3065

Chief Accountant

£25,248-£31,694

+ Excellent pension conditions, 32 days holiday and other benefits.

Responding to the Finance Director, the person appointed will oversee the effective management of the Financial Accounting function of the Association. Budgetary Control, Management Accounting and Treasury Management skills together with the ability to motivate and lead a team of 7 staff are the key pre-requisites for this important role.

The successful applicant will be a qualified accountant, highly computer literate with a hands on management style. He/she will have had rapid success in a fast track environment and will demonstrate both exceptional technical skills and the ability to be innovative and proactive. Excellent communication skills both oral and written are also essential.

For further information and application form, please contact Pauline Nembhard, PCHA, Canterbury House, Canterbury Road, London NW6 6SU. Tel: 071-372 5671. If you would like to discuss this post, please telephone Anu Vodi on the above number for an informal chat.

Closing date: 27th September 1991. Interview date: 14th October 1991.

The Association is developing its equal opportunities policy and welcomes applications from all sections of the community. People with disabilities are encouraged to apply for all our posts.

PC HA

Handwritten signature: *Handwritten signature*